

Firm growth by women-owned Small and Medium Enterprises in a developing economy setting

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ABSTRACT

Firm growth by women-owned Small and Medium Enterprises in a developing economy setting

The growth experiences of women-owned Small and Medium Enterprises (SMEs) in the context of a developing economy are examined through the lens of pragmatism. This approach views a businesswoman's 'belief', 'habit' and 'doubt' as critical for researching gender related issues in entrepreneurship. This study explains the growth aspects of women-owned manufacturing and services SMEs of Bangladesh with the aim of addressing two neglected research issues. One is the scarcity of studies on growth oriented women entrepreneurs in developing countries. The other is the lack of focus on very successful high-growth women-owned firms in the context of a strong male-dominated economy.

This study adopts a framework developed out of the Diana International Project to evaluate the factors influencing the growth of these successful, growing, Bangladeshi women-owned businesses. In order to evaluate the growth process itself, this framework was then modified with growth resources and actions as explained by Edith Penrose in her 1959 seminal book *The Theory of Growth of the Firm*. This allows for the investigation of the effects of managerial and entrepreneurial abilities in growth, and the identification of how firms achieve growth.

A multiple-case design is adopted, covering sixteen successful growth-oriented firms in the manufacturing and services sector. SMEs were studied as the basis for firm growth from initial venture creation, while the sector concentration on manufacturing and services reflects the urban nature of the study in examining firms that exist in the capital city of Dhaka. Data from in-depth interviews and supporting documents were used for the case studies and integrated with the theoretical framework. Themes were categorised and patterns compared against the framework.

The results of this research suggest that SME growth is a process which is gradual and iterative, comprising a series of growth strategies and approaches. The framework identifies interactive connection between different growth variables and highlights how industry sector and the national context of a growing economy facilitate growth of women-owned SMEs.

The case study based research seeks to advance scholarship in relation to women's entrepreneurship globally and contribute to the understanding of growth oriented women's entrepreneurship. Building upon existing knowledge, this research endeavours to generate new insights and advance theoretical discourse by providing richness and subtlety to the knowledge of growth process and opening up new avenues for future research.

STATEMENT OF AUTHORSHIP

Except where explicit reference is made in the text of the thesis, this thesis contains no material published elsewhere or extracted in whole or in part from a thesis by which I have qualified for or been awarded another degree or diploma. No other person's work has been relied upon or used without due acknowledgement in the main text and bibliography of the thesis.

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STRUCTURE OF THE THESIS

Chapter 1: Introduction

This chapter sets out the background to the phenomena of growth process of women owned SMEs. It outlines the research objectives and briefly describes the research. It provides an overview of research methods as well as significance of this research.



Chapter 2: Literature Review and Conceptual Framework

This chapter reviews literature on small firm growth, factors and processes of firm growth. The review continues to examine literature on growth of women owned firms. It then introduces a conceptual framework for analysing the growth processes of women owned SMEs.



Chapter 3: The Context of Women owned SMEs in Bangladesh

This chapter provides contextual information on Bangladesh, including a brief overview of the history as well as a description on macro economy. The chapter then sheds light on the role women play in society and in SMEs.



Chapter 4: Research Approach and Methodology

This chapter explains the paradigmatic underpinnings of this research. It then continues to describe the research methods adopted for this research. A four-stage research design is explained and justified as an appropriate response to the research questions.



Chapter 5: Results

This chapter presents the findings of the research into the growth process of women owned SMEs, commencing with a history of the firms followed by its business growth pattern and a summary table of analytical findings on growth of the firms.



Chapter 6: Discussion

This chapter discusses the results in relation to the framework of analysis. It provides answers to the research questions by identifying the factors influencing growth of women owned SMEs and explaining actual processes of growth.



Chapter 7: Conclusion and Implications

The dissertation concludes in Chapter 7 with a summary of the research, its results and the implications for understanding the high-growth women owned SMEs in Bangladesh. It then concludes by identifying additional research areas emerging from this study.

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1 INTRODUCTION

This research examines the growth of women-owned Small and Medium Enterprises (SMEs) within the context of the growing economy of Bangladesh. It strives to address specific gaps in women's entrepreneurship research through empirical research. It reports on a qualitative study; largely based on case studies of growth oriented SMEs owned by women. This research builds on the significant contributions to our understanding of women-owned firm growth made by previous researchers. Despite their efforts, however, understanding the gendered influences on the business growth experiences of successful women entrepreneurs, especially in the context of a developing economy, still remains significantly under-researched. This less explored area of women's entrepreneurship research provides the base for this study.

This chapter introduces the research project and is organised in five main sections. The first section provides the background to the phenomenon of growth oriented women-owned SMEs that led to the formulation of the research topic as well as the development of this project. It details the significance of growing SMEs to the economy of Bangladesh and identifies them as a valuable contributor to the economy. The increasing interest in growth oriented women's entrepreneurship is noted. The chapter continues by highlighting the importance of this research for theory and practice. The second section discusses the aim and objectives of this study.

The third section of the chapter provides definitions of the major terms used in this research, which is important for a clear understanding of the meanings adopted. A brief discussion of the research approach and method used for conducting this research is provided in the fourth section, which explains the four phase research design and multiple case study design. It then specifies the research activities relating to the collection, and analysis of the data.

Section four outlines the organisation of this research based on the content of the individual chapters. Finally, section five concludes the chapter by determining that

the findings of this research will contribute to the current understanding of growth oriented women's entrepreneurship in the context of a growing economy, from both theoretical and practical perspectives. It also provides the link to the chapters which follow.

1.1 BACKGROUND TO THE RESEARCH

Business growth has been a core topic in entrepreneurship research (Chandler, McKelvie and Davidsson, 2009) with growth oriented entrepreneurship being a crucial contributor to economic development worldwide. Although there has been a continued interest in firm growth from academics, policy makers and practitioners; fundamental questions still remain unanswered (Leitch, Hill and Neergaard, 2010). Despite the volume of business growth studies, theoretical development has been limited (Wiklund, Patzelt and Shepherd, 2009) and a lack of well-grounded knowledge relating to the causes, effects and processes of growth has been perceived (Wiklund and Shepherd, 2003). Consequently, there have been calls for more research focusing on 'growth as a process' (Leitch et al., 2010).

Although entrepreneurship has usually been considered a male dominated activity, in recent studies the role of women entrepreneurs in driving economic growth has also been increasingly acknowledged (Kelley, Bosma and Amoros, 2010). *The Global Entrepreneurship Monitor (GEM)* report confirms that 187 million women, comprising 42 per cent of entrepreneurs, were involved in the creation and operation of enterprises in 2010 (Kelly et al., 2010). Despite the increase in the number of women entrepreneurs around the world, and their growing importance to economic development, growth oriented women's entrepreneurship was understudied until 1999 (Greene, Hart, Gatewood, Brush and Carter, 2003). In 1999, a group of women researchers from the United States initiated the Diana Project as a platform for researching the growth of women-owned businesses. Since then there has been increasing interest in studying women's entrepreneurship and Hughes, Jennings, Brush, Carter and Welter (2012) argue that the growth aspect of women-owned firms has been researched sufficiently.

While there are a number of studies on the growth of women-owned firms particularly based on a developed economy context, much needs to be done to better understand the growth experiences of successful women entrepreneurs in different settings, such as in a developing economy context. The Diana International Project, through the years, has brought together scholars from various countries worldwide for researching women entrepreneurs and their growth-oriented businesses. Therefore, this study adopts a framework developed out of the Diana International Project for the investigation of Bangladeshi women-owned businesses. In order to evaluate the growth process itself, the framework is modified with the addition of two variables, growth resources and actions, as proposed by Edith Penrose in her 1959 seminal book *The Theory of Growth of the Firm*. This allows for the investigation of the effects of managerial and entrepreneurial abilities on growth, and the identification of how firms achieve growth.

In developing countries SMEs are seen as crucial for endogenous growth and development, as evident in the fast developing Asian economies; yet little is known about the role of women entrepreneurs in these environments (Tambunan, 2009). Bangladesh is an example of an Asian economy with dismal underdevelopment and a low 3.7 per cent economic growth; measured in terms of annual Gross Domestic Product (GDP) during the 1980s. However, since the onset of the 1990s the economy started to grow at an accelerating rate with average annual GDP growth rate jumping to 4.8 per cent in the 1990s and accelerating in the decade of the 2000s to an average of just under 6 per cent. This was accompanied by a more than 5 per cent per capita income rise that represents a three-fold increase compared to the 1980s (Osmani, 2010). However, the role women have played in the development of Bangladesh is little understood, which is surprising given that 47 per cent of all Bangladeshi women-own firms are in manufacturing; a sector that has been the driver of growth in most developing economies (Zohir and Greene, 2012). Therefore, this study explores the growth experiences of women-owned urban-based SMEs in Dhaka, the major urban centre of Bangladesh.

This study investigates the factors and elements which are considered most relevant to growing women-owned SMEs in Bangladesh by examining the manufacturing and services sectors, which no other studies have done. The relevance of studying and pursuing women's entrepreneurship is related to the role that female entrepreneurs play in the development of the economy of Bangladesh. From an economic perspective, in Bangladesh, the role of women in creating and operating a business is an important driver for the development of the whole community. From a social perspective, in Bangladesh the traditional division of gender roles has been challenged by successful female entrepreneurs, leading to social transformation and reconstruction that has allowed women to establish their own identity through professional achievements.

The findings of this study are expected to be significant for three main reasons. First, the findings will provide insights to enhance our understanding of women-owned SME growth in Bangladesh, with an emphasis on the major sectors of manufacturing and services. Understanding the factors that enhance the growth performance of women entrepreneurs is essential for entrepreneurs, business managers and policy makers. Growth usually leads to increasing demands for skills, capabilities and resources within businesses. A clearer understanding of growth dynamics will shed light on the complexities that challenge women entrepreneurs as they grow their respective businesses.

Second, this research will develop a framework for women-owned firm growth which could be applied to any country context. Governments and other organisations involved in the development of women's entrepreneurship may use the findings of this study as a source of additional information on how to assist women entrepreneurs in the manufacturing and services sector to achieve firm growth. This should help policy makers to design and direct more effective support measures towards SME growth. Greater understanding of the growth processes of women-owned SMEs will also help professional service providers, (such as business consultants, accountants, training and development firms) to enhance the products they offer to women clients. Banks and venture capital providers will also be able to make more informed decisions about the growth potential of SMEs. If the growth

performance of women entrepreneurs can be improved, much would be gained for the firms as well as the economy as a whole.

Finally, women entrepreneurs act as an important engine for the economic growth of Bangladesh. They have also played a role in generating employment, reducing poverty as well as achieving gender equality. Therefore, this research on growth oriented women entrepreneurs will be useful in understanding the overall growth potential of the country, and in developing successful entrepreneurship related policies concerning women and business. Furthermore, by analysing the growth experiences of women entrepreneurs, this research can help avoid putting women in subordinate positions to men and considering them less significant (Ahl, 2006).

1.2 RESEARCH OBJECTIVES

In light of the issues raised in the previous section, the research objectives of this research are to address (i) factors that influence the process of women-owned SMEs growth, and (ii) how women-owned SMEs achieve successful growth.

The research objectives aim to contribute to the existing literature by addressing two neglected issues in relation to female entrepreneurship. One is the scarcity of studies on women entrepreneurs in developing countries, especially in the context of the Diana International Project. The other is to focus on the 'outliers' that are very successful women-owned firms, in the context of a traditional male-dominated nation.

This study aims to make both theoretical and empirical contributions to the understanding of growth oriented women's entrepreneurship in a developing economy setting. Theoretically, this research will provide a framework of analysis available to future researchers in the area of women entrepreneurship, especially in relation to the factors and processes of SME growth in developing economies. Empirically, this study aims to analyse the actual growth achieved by these women

entrepreneurs in urban-based SMEs, which have significant economic and social influences.

This research hopes to achieve these objectives by studying the growth processes undertaken within women-owned SMEs as they expand beyond the start-up phase and proceed into a period of growth. This growth phase is investigated taking into account the nature of relationships with various contextual variables such as the firm's internal factors, external environmental factors, sector context and country context.

1.3 RESEARCH QUESTIONS

In particular, the following research questions have been formulated:

Research Question 1 (RQ1): Which factors influence the process of women-owned SME growth, specifically in the context of the developing economy of Bangladesh?

Research Question 2 (RQ2): How do women-owned SMEs achieve successful growth in the growing economic context of Bangladesh?

1.4 DEFINITIONS

In order to gain a clear understanding of the meanings adopted in this study, a set of definitions of the key terminologies used is presented in this section.

Small and Medium Enterprise (SME)

Definitions of SME vary between industries, countries and studies. Therefore, difficulties arise in comparing the findings of various SME studies performed around the world. The definition of an SME adopted for this research is the one specified by the SME & Special Programmes Department of the Bangladesh Bank (the central bank of Bangladesh).

In the manufacturing sector, the definition of the Bangladesh Bank considers a *small enterprise* as a firm or business having real assets between Bangladesh Taka BDT¹ 0.05 million and BDT 15 million (including establishment costs but excluding the value of land and factory buildings); or having less than 50 employees. A *medium enterprise* in the manufacturing sector is a firm or business, having real assets between BDT 15 million and BDT 200 million (including establishment costs, but excluding the value of land and factory buildings); or having between 51 and 150 employees.

In the case of the services sector, *small enterprise* is a firm with the value of real assets, between BDT 0.05 million and BDT five million, or with less than 25 employees. A *medium enterprise* in the services sector is a firm with a value of real assets between BDT five million and 100 million, or with 25 to 50 employees.

Women-owned firm

The Government of Bangladesh has provided a broad definition of the term woman entrepreneur. It defines a woman entrepreneur as having an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and having at least 51 per cent of the employment generated in the enterprise to women. Bangladesh Bank defines a woman entrepreneur as a female who owns at least 51 per cent of share in case of a joint venture or company listed with the Office of the Registrar of Joint Stock Companies and Firms. This definition aims to acknowledge women entrepreneur's contribution to the economy and remove confusion among financial institutions about who is a woman entrepreneur and who is not. However, given the nature of the research and requirement to encapsulate the real growth experiences of SME owners, this definition has been modified. The modifications adopted in this study limit participation of women entrepreneurs to those who initiate, organise, operate, own and control every aspect of a privately run business. This modification excludes women entrepreneurs in partnerships, joint ventures and joint stock companies.

¹ Bangladesh currency is Bangladeshi Taka (BDT 76 = AUD 1)

Growing SMEs

The definition of a growing SME adopted for this research is one that exhibits at least ten per cent increase in annual sales over three consecutive years (2008-2010). This study analyses sixteen SMEs operating in the manufacturing and services sectors. This ten per cent measure of growth is considered appropriate as an indicator of growth performance given that the economy of Bangladesh has exhibited an average of six per cent growth in GDP during the period 2008-2010.

1.5 RESEARCH APPROACH

The focus of this research is to better understand women's entrepreneurship in the context of Dhaka, the capital city and major urban centre of Bangladesh, by adopting the epistemological stance of pragmatism and viewing a businesswoman's 'belief', 'habit' and 'doubt' as critical for researching gender related issues in entrepreneurship. This study utilises a multiple case study design (Yin, 2009) for analysing the growth of sixteen women-owned SMEs in Dhaka. A four-phase research design is developed for this study. Sales data collection takes place in phase one. Analysis of sales data in order to determine SME growth rates is undertaken in phase two. Phase three incorporates qualitative data collection through semi-structured interviews for the case studies. Finally, phase four integrates the qualitative data with the framework of analysis.

This research uses: data triangulation, by combining primary and secondary data; theory triangulation, by merging Brush, de Bruin, Gatewood and Henry (2010) and Penrose's (1959) theory of growth; and methodological triangulation, by uniting qualitative methods with the measurement of women-owned SME growth rates. The study follows a holistic case study design covering sixteen SMEs; four from each of the following SME contexts: small, medium, manufacturing and services. In-depth interviews with women entrepreneurs of growth oriented SMEs were the primary source of data. To triangulate data from the interviews, supporting documents were obtained from other sources, including company documents and media releases and firm sales and other growth figures.

Individual case reports were compiled, guided by the framework of analysis. Influential growth factors and growth processes were identified in each SME case. Themes and patterns were identified from interview transcripts and supporting documents, and then compared with the conceptual framework. Results from each case were compared with other cases from the same context (for example medium-sized manufacturing firms). Cross case analysis of all sixteen cases were also conducted to identify common patterns and unique features. Building on this analysis, the findings of the research were reported and the research questions (proposed at the end of the literature review) answered.

1.6 SIGNIFICANCE OF THE RESEARCH

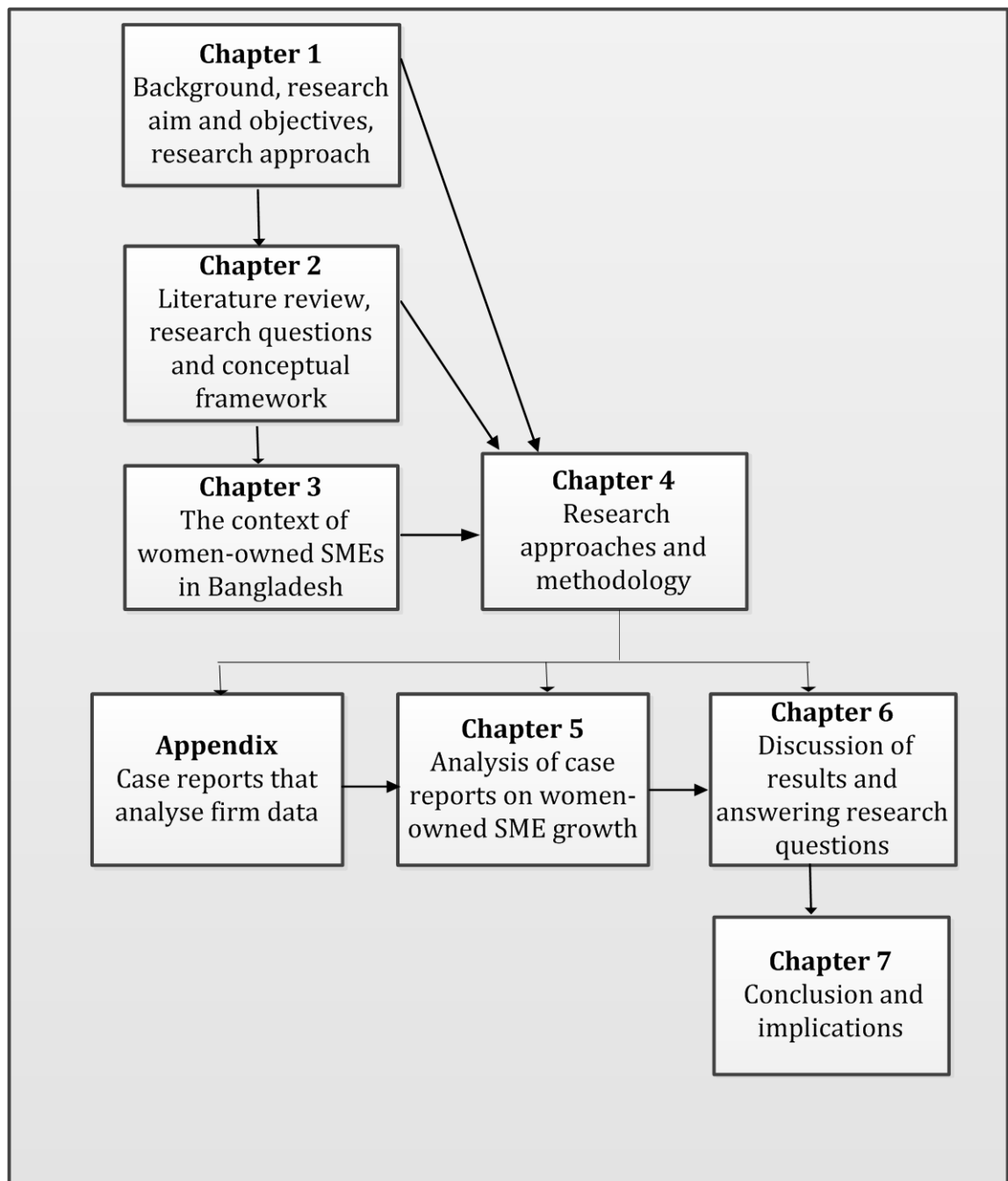
In the growing economy of Bangladesh, research into the growth of SMEs is essential and appropriate. SMEs are the dominant form of business and represent 90 per cent of total enterprises and provide 80 per cent of the total employment of Bangladesh (Daniels, 2003). SMEs make a major contribution to Bangladesh's economy and there is a need for further knowledge about growing SMEs in order to inform the development of policy for managing and guiding the SME sector. Section 3.6 in Chapter 3 articulates the rationale for choosing Bangladesh in more detail.

In a developing economy like Bangladesh the role played by SMEs is being recognised for generating economic development. The growing SME sector has been a key to economic development. This economic development occurs mainly because SMEs exploit opportunities, take risks, innovate and attempt to adapt to changes in the environment. However, the general consensus about women-owned SMEs in Bangladesh seems to be that they are income generating SMEs rather than growth oriented SMEs contributing to economic development. Growth oriented women-owned SMEs are essential to the economic performance of a country. Therefore, developing a greater understanding of growth oriented women-owned SMEs and their owners is a significant research topic.

1.7 ORGANISATION OF THIS THESIS

Thus far this chapter has explained the background and significance of this research. It has identified the research objectives, defined the key terms and described the research approach adopted in this study. The remaining parts of the thesis are organised as set out in Figure 1.1.

Figure 1.1 Organisation of this thesis



The following chapter, Chapter 2, provides an overview of the prior literature on firm growth. The literature on women-owned firm growth is presented on the basis of the variables, strategies and approaches to growth. From this review, the research questions are specified. To address these questions, a conceptual framework of women-owned SME growth is developed, integrating two major perspectives on firm growth.

The contextual information on Bangladesh is presented in Chapter 3. This chapter provides the historical, economic and social background of Bangladesh in which women entrepreneurs are embedded. It will be specifically useful in understanding the socio-economic context of Bangladesh to assist in interpreting the results of this research.

The subsequent chapter, Chapter 4, deals with the methodological issues and specific research methods applied in this study. The philosophy of pragmatism has been adopted in order to analyse the growth experiences of women-owned SMEs. The chapter describes the case study approach and methods used for data collection and data analysis. Limitations of the study are also discussed.

Appendix D reports on the data collected based on a four phase structure, in relation to the sector and size of each firm. Chapter 5 provides the results from an analysis of the major themes arising from the case reports in Appendix D. Chapter 6 discusses the results presented in Chapter 5 in the context of the existing literature and answering the research questions. Finally, in Chapter 7 a summary of the study's conclusions and implications can be found. These conclusions and implications concern practical issues as well as suggestions for future theoretical and empirical developments within the field of women's entrepreneurship research arising from this study.

1.8 CONCLUSION

This chapter sets out the background to the phenomena of the growth process of women-owned SMEs and provides the basis for this thesis. It outlines the research objectives and briefly describes the research approach adopted and the significance of this study. It provides the reader with a guide to the following sections of the thesis.

2 LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

The first chapter has formed the groundwork for this research, introducing the area of women-owned SME growth and justifying the potential contribution of further research work in this area. This second chapter reviews the existing literature which is relevant to firm growth.

2.1 INTRODUCTION

The literature review is organised into three broad sections. The first section illustrates the literature on firm growth starting with an introduction to the growth literature in entrepreneurship, followed by studies on growth measurement and the factors and elements of firm growth. It then continues with studies that identify barriers to firm growth and this is followed by the literature on the 'stages of growth models'. It then moves to explore the process based literature on firm growth.

The second section of this literature review narrows down the focus to the literature that is central to research concerning the growth of women-owned firms. It organises the existing literature into two main areas based mainly on the publications from the Diana International Project. The first subset contains the studies focusing on the contextual factors concerning women-owned growth firms and this is followed by outlining the studies on growth strategies and approaches applied to women-owned firms. This review identifies two significant shortcomings in the existing literature. One is the dearth of growth studies on women entrepreneurs in developing countries, especially in the context of the Diana International Project. The other is to focus on very successful women-owned growth 'outliers' who can shed light on the growth process and its success as first identified by Edith Penrose. Building on these gaps in the literature, two research questions are then identified.

The third section develops a conceptual framework that provides a comprehensive approach to understanding and analysing the growth of women-owned SMEs in

developing economies. This section begins with an outline of the conceptual framework and then elaborates on each component in detail. The last section concludes the chapter with a summary of the key findings from the literature review.

2.2 GROWTH OF THE FIRM

Business growth is a major topic in the fields of entrepreneurship, small business economics as well as industrial organisation. Scholars and researchers in management, economics and public policy have placed much attention on it (Wiklund et al., 2009). Penrose (1959, p.1) started the business growth research by differentiating between two meanings of growth in the context of the firm. The first represents "... merely an increase in amount; for example, when one speaks of 'growth' in output, export, and sales." The second implies "... an increase in size or improvement in quality as a result of process of development... in which an interacting series of internal changes leads to an increase in size accompanied by changes in the characteristics of the growing object." This is how Penrose distinguishes between growth as an "increase in amount" and as an "internal process of development." This study adopts the second meaning with the objective of analysing the growth processes among women SME owners within a developing economic context.

Growth is not a simple phenomenon to understand and explain. It can be analysed in a variety of ways (Achtenhagen, Naldi and Melin, 2010). Its multi-dimensional nature makes it difficult to predict and measure (Davidsson, Delmar and Wiklund, 2006). Therefore, different indicators and formulas have been used for measuring growth. Different firms tend to grow in different ways (Davidsson, Achtenhagen and Naldi, 2005). For instance, small firms usually grow organically as they do not have the necessary resources to acquire another firm, whereas takeovers are common among large firms (Davidsson, et al., 2005). Growth may take several forms (including vertical integration, diversification, licensing, franchising, joint ventures or alliances); all of which require different metrics and different theoretical explanations (Davidsson and Wiklund, 2006).

An attempt is made in this chapter to group the great number of different studies under different headings. This review of the literature is limited to those publications which have dealt with factors assisting firm growth as well as obstacles and processes. It excludes other segments of the literature as it is extremely difficult to review all the existing literature on firm growth given the quantity involved. As supported by Saunders, Lewis and Thornhill (2009, p. 65), "...when drafting your review, you, therefore, need to focus on your research question(s) and objectives".

The phenomenon of firm growth has received attention from various scholarly fields. Therefore, great variations exist in the literature concerning firm growth. In a review of the small firm growth literature, Gibb and Davis (1990) conclude that the body of evidence available until 1990 was inadequate for the purpose of developing policy. No single variable of firm growth represents more than a small fraction of all studies. This explains the fragmentation of the field and the complication in comparing findings from different studies (Wiklund, 1998).

Considering the contributions made to the growth literature since the mid-1990s, Dobbs and Hamilton (2007) confirm that although a large number of applied studies have been conducted, the knowledge base still lacks a complete theory capturing firm growth. The authors call for comprehensive theoretical perspectives for better understanding the growth phenomenon. Supporting this, Shepherd and Wiklund (2009) argue that theoretical development has been remarkably slow in this field. Achtenhagen et al. (2010) maintain the same and advocate for more qualitative research in order to get new insights into the various aspects of firm growth. The same view was echoed by Leitch et al. (2010) and McKelvie and Wiklund (2010).

More recently Davidsson and Wiklund (2013) advocate a redirection of firm growth research. While discouraging research attempts to test hypotheses in relation to explaining variance in growth rates across firms, the authors call for further development of firm growth theory. Specifically, the extension and development of Penrose's theory is suggested. The authors argue that conceptual research, qualitative theory-building as well as quantitative theory-testing research, can

continue developing such theory. Reflecting on this, an attempt was made in this research to extend Penrose's theory, with elements from Brush et al. (2010) model for understanding the growth experiences of women-owned SMEs in a developing country context.

2.2.1 GROWTH AND ENTREPRENEURSHIP

If entrepreneurship is merely considered to be the creation of an enterprise, growth is not innate. However, if it is conceived of as the creation of economic activities, especially through the introduction of new products and services, growth is an essential aspect (Davidsson et al., 2005). The innovation by the owner-manager of the firm is an important element distinguishing an entrepreneurial firm from the majority of small businesses (Carland, Hoy, Boulton and Carland, 1984). Emphasising this distinction, Sexton and Smilor (1997) indicate that the understanding of the interconnection between entrepreneurship, innovation and firm growth is fundamental for a better understanding of firm growth. Schumpeter (1934) was one of the first scholars to emphasise the role of innovation in providing leadership and driving changes within the economic system. He argues that entrepreneurs accelerate economic progress through "creative destruction". This innovation role affects the behaviour and performance of entrepreneurs as well as their firms (Venkataraman, 2003), and provides the impetus for firm growth and economic development (Courvisanos, 2012). It is this type of entrepreneurship that this research aims to uncover within the context of women-owned firms.

2.2.2 MEASURING GROWTH

Growth researchers have used a variety of measures of firm growth, comparability among existing growth studies is difficult (Davidsson and Wiklund, 2013). Growth can be measured along several indicators such as: growth in sales levels; number of employees; profitability; equity or total assets (Shepherd and Wiklund, 2009). Growth on one dimension does not necessarily mean that firms grow on another dimension. Chandler, McKelvie and Davidsson (2009) confirm that growth in revenue is not highly correlated with growth in employees. Although various

indicators may be used to measure growth, in order to get a better understanding of the broad context of growth trends, multiple indicator indexes are better than single indicators (Weinzimmer, Nystrom and Freeman, 1998). Researchers have also considered a variety of time spans over which growth is analysed ranging from one year to several years.

The relationships between the most commonly used growth measures are examined by Shepherd and Wiklund (2009). The literature suggests that sales growth is an appropriate metric for cross-industry studies (Davidsson et al., 2005) and small business studies (Delmar, Davidsson and Gartner, 2003), if only to get some benchmark of growth trends in a specific region. However, as opposed to the findings of previous studies, Shepherd and Wiklund (2009) argue that, employment growth holds the best circumstantial validity, which is consistent with Penrose's (1959) suggestion of concentrating on growth rates relating to the increase in employment and assets in relation to industrial firms.

Firms usually tend to grow in a specific manner (Delmar et al., 2003). This means a firm identified as a high-growth firm using a particular growth indicator may not be seen as growing based on another indicator. As an extension to that, Murphy, Trailer and Hill (1996) indicate that growth results through one positive indicator can be negatively be interpreted for another type of growth indicator. For instance, increased costs in important advertising and sales promotion may increase sales growth; on the other hand this cost increase may decrease growth in profitability (Bamford, Dean and Douglas, 2004). Building on this, researchers have attempted to capture the essence of growth through applying a variety of indicators. For example, Chandler et al. (2009) use Transaction Cost Economics to identify the correlation between sales and employment growth over time. Similar to this, the relationship between profit and sales has been measured using the resource-based perspective (Davidsson, Steffens and Fitzsimmons, 2009).

Growth can also be measured in either absolute or relative terms. The compilation of either absolute or relative measures can distort subsequent analysis, with the initial size of the firm amplifying absolute growth, but negatively impacting relative growth.

In other words small firm growth rates are emphasised by relative growth measures whereas absolute measures do the same for larger firm growth rates. Davidsson et al. (2006, p. 68) explain the difference with an example:

...if firm A has started with 1 employee and has after three years 6 employees, its growth is 600 per cent or 5 employees; at the same time, firm B has started with 10 employees and has after the same periods 15 employees, its growth is 50 per cent or 5 employees. Both will have the same absolute growth but the former will have achieved a substantially higher relative growth (600 per cent compared with 50 per cent).

For SMEs, relative growth is appropriate for measuring growth in the context of Bangladesh. This will provide an indication on firm growth rates for the SMEs under study. However, for understanding and explaining the growth experiences of women SME owners in Bangladesh, consistent with Penrose (1959), this study will examine growth as a process and not merely focus on the increase in firm growth.

Before considering growth determinants it is necessary to understand that not all firms grow, especially when they start business in an already mature industry serving local markets (Reynolds, Bygrave and Autio, 2003; Samuelsson, 2004). Firms may not grow from the time of their start-up, but those which do grow may differ depending on influential factors and their growth paths.

2.2.3 EXTERNAL AND INTERNAL FACTORS OF FIRM GROWTH

Researchers have conducted a number of studies to identify the importance of various factors incorporating growth. In a detailed literature review on firm growth studies, Davidsson et al. (2007) found firm growth to be largely determined by external factors. This is confirmed by a number of studies analysing the environmental influences of location, industry and market on firm growth.

Audretsch and Mahmood (1994) illustrate that the growth of small businesses is contingent on the growth rate of the industry in which they operate. In compliance with this, Audretsch (1995) indicates that failure rates are high in highly innovative industries. Rapidly growing industries are likely to foster rapid growth of firms. In

compliance with this, Carroll and Hannan (2000) explore the positive effects of external factors and find that fast growing industries and regions are more likely to foster high growth firms. However, growing firms may also be found in stagnant industries. These firms operate within dynamic growth niches. Previously, Penrose (1959) elaborated on small firms' opportunities to enter and grow in a market which she identified as "interstices" in an economy. These represent some useful opportunities (which small firms perceive) to take advantage of openings left by large firms. Later on, this concept of "interstices" was supported by both Storey (1997) and Wiklund (1998).

Davidsson (1991) and Wiklund (1999) have both highlighted the role of internal factors. Firm growth is found to be directly affected by the internal factors relating to the owner's motivation and goals (Delmar and Wiklund, 2003) and their strategic choices (Wiklund and Shepherd, 2005). The motivation for starting a business may vary depending on the background and material needs of the entrepreneur. Some may be forced into business as an employment substitute, in which case growth may not be an appropriate indicator of success. As Davidsson et al. (2006, p. 3) argue:

...the more intrinsically motivated the entrepreneur is by the prospects of growth, the more likely he or she is to engage in a growth process and succeed. On the other hand, if the growth process is chosen for extrinsic reasons, the entrepreneur is less likely to succeed in the endeavour.

Douglas and Shepherd (2000) note that, the achievement of an individual is ambitions to gain independence as well as developing an innovative idea is the main reason for operating one's own firm. However, growth requires changing conditions and, therefore, may not be a goal of all small business managers (Wiklund, Davidsson and Delmar, 2003). Considering the other growth factors unchanged, Wiklund et al. (2003) find that if the small business manager is willing to accept the changed conditions, as well as perform the new responsibilities that business growth requires, then the manager ought to hold a more positive attitude towards growth.

It is important to note that sometimes it is complicated to decide which factors are truly internal and which are external. Recognising a particular factor's impact on growth is more important than labelling it as internal or external. Lee, Lee and Pennings (2001) argue that the interactions between internal and external factors determine performance. A significant amount of research has considered *growth as an outcome*, where growth is dependent on a set of independent factors such as personal characteristics, human and financial resources, and firm and industry conditions (Baum, Locke and Smith, 2001; Batt, 2002; Davila, Foster and Gupta, 2003; Florin, 2005; Arthurs and Busenitz, 2006; Delmar and Wiklund, 2008). Studies have also explained the impact of growth intentions on firm growth (Morrison, Breen and Ali, 2003). Mochrie, Galloway and Donnelly (2006) measure growth by employment and find that market and ownership structures of the firm are vital factors for growth.

Another stream of literature has focused on the *outcomes of growth*, considering growth as an independent variable and analysing the changes resulting within the firm as a consequence of growth (McKelvie and Wiklund, 2010). The most prominent studies within this stream of literature tend to use stages of development; life cycle; or stages model arguments (Phelps, Adams and Bessant, 2007).

2.2.4 STAGES OF GROWTH MODELS

From 1962 to 2006, stages of growth models were the most common ways of explaining firm growth through the activities and processes involved (Levie and Lichtenstein, 2010). These models are popular constructs in the organisational development, marketing, economics and strategy literature; applied at various levels for explaining the dynamics of products, firms or industries. This line of research adopts a biological metaphor in order to capture the entire life span of a firm by predicting a series of different stages of conception, growth, maturity and decline; through which a product, firm or industry progresses (Churchill and Lewis, 1983; Scott and Bruce, 1987; Hanks, Watson, Jansen and Chandler, 1993; Hanks and Chandler, 1994). These models assume growth as an incremental development

process, continuing in a consistent manner (Lichtenstein, 2000). An early conceptualisation of the stages model was made by Chandler in 1962. He conceptualises a stages model suggesting that a firm develops through strategic as well as structural modifications responding to changed external conditions (Chandler, 1990).

Despite a huge number of studies, stages models are the source of much controversy in the literature. These models are widely criticised for being too simple to capture the ever changing and uncertain nature of growth and for not having adequate empirical support (McMahon, 1998; Phelps et al, 2007; Levie and Lichtenstein, 2010). Storey (2000) recognises a tendency for the stages models to ignore the contingent nature of growth. The stages model continues to find favour from a quantitative perspective because of its ability to pick a few factors and find correlation assumptions without appropriate causal mechanisms.² Penrose (1952) also questions the validity of applying biological analogies for governing firm growth, which tend to ignore the impact of the owners and managers conscious decisions.

Although criticised on a number of grounds, the simplicity of stages of growth models appeals as explanations of small firm growth. Hanks, Watson, Jansen and Chandler (1993) provide some level of general support for stages models. However, they also tend to indicate that growth is far more complex than simple stages of development. Extending Hanks et al.'s (1993) approach, McMahon (2001) identifies a number of developmental pathways for SME growth, which supports the notion of growth paths embedded within all the stages models. Moreover, stages models assume an organisational unit grows organically (McKelvie and Wiklund, 2010); and, therefore do not acknowledge acquisitions, mergers or growth achieved through diversification into a number of organisational units. Other than internal growth, this line of research does not consider other patterns of development and growth.

² For more discussion of the problem of a lack of consensus on the basic constructs of stages of growth models see Levie and Lichtenstein (2010).

2.2.5 BARRIERS TO FIRM GROWTH

Some researchers have identified the difficulties associated with the growth of businesses. Studies investigating barriers to firm growth provide useful mechanisms to elaborate on the requirements needed for successful growth. Barber, Metcalfe and Porteous (1989) discuss three key areas of impediments for United Kingdom (UK) innovative small firms. The first is related to resources barriers that include access to: finance (Wilson, 2001; Moy and Luk, 2003; Sims, Breen and Ali, 2001; Aghion, Fally and Scarpetta, 2007), skilled labour (Sims et al, 2001; Quader, 2007) and technology (Lee et al., 2001). The second is market opportunities and structures, which include demand characteristics such as: size and frequency of purchase; degree of market segmentation; and market niches. The third area of impediments includes management barriers relating to: skills shortage; lack of management training; and an entrepreneur's internal motivation for growth.

Consistent with these findings, Penrose (1959) found lack of management capabilities as a barrier to growth, which is supported by Bosworth and Jacobs (1989), Love (2006), and Quader (2007). Reinforcing the findings from earlier studies, Borrow (2002) added that the time management spent in operating the business, as opposed to planning its future, also limits the growth propensity. He suggests that; most of the barriers can be overcome by strategic thinking and a proactive approach for managing people and markets as well as money. In other studies, Bridge, O'Neill and Cromie (2003) have identified a lack of market knowledge and government regulations as impediments to growth. Through the use of surveys, Krasniqi (2007) finds the constraints imposed by legal and administrative regulations, tax burdens, and unfair competition all hinder firm growth. Apparent from the findings of these studies is that a particular factor may support growth of one firm; then, the same factor may hinder the growth of another firm if this factor is difficult to access within the context of that second firm. However, a successful entrepreneur must find ways to overcome these barriers and commit resources for investigating market opportunities for firm growth.

2.2.6 RESOURCE-BASED VIEW OF FIRM GROWTH

The relationship between firm resources and their influence on firm growth has been an important area of investigation. The resource-based perspective is generally connected to the seminal work by Penrose (1959) more than any other. Penrose's resource-based approach states that a firm is a collection of unused productive resources which provides excess capacity to grow and allows the firm to more fully utilise the excess capacity for serving an existing market. Penrose (2009, p. XX) states, "...effective use of resources and innovation takes place when resources are combined with other resources." The author identifies the primary function of an organisation's manager is to decide on resources and activities. Building on this, two types of firm capabilities are categorised; entrepreneurial and managerial capabilities.

Entrepreneurial capabilities represent the function of imagination, while managerial capabilities are based on more practical issues for the accomplishment of ideas. According to Penrose (1959), although entrepreneurial capabilities are essential, they are not adequate; managerial capabilities are crucial for growth to be achieved in reality. She also emphasised the importance of productive opportunities for firm growth which depends on the ability of the firm to use its resources. Firms can make effective use of existing resources. Penrose holds that, firms leave some unused resources that can possibly be utilised. Managers' entrepreneurial capabilities also need to be utilised which involves managers using their judgement for making predictions on the basis of customer preference as well as innovation. This implies that growth depends on managers' ability to perceive opportunities and successfully act upon them by utilising existing resources (Penrose, 1959), which requires the successful combination of perceived opportunities together with utilisation of existing firm resources. She states that the potential combination of resources increases with the growth of the firm.

The resource-based perspective has experienced a significant increase in research output during the 1990s. As a resource-based view on firm growth it comprises three different theoretical constructs. The first one relates to the resource

perspective in strategy; focusing on the firm's resources. Conner (1991) emphasises the combination and deployment of heterogeneous resources for the purpose of achieving competitive advantage. This is important for understanding the entrepreneurial phenomenon of firm growth (Alvarez and Busenitz, 2001; Conner, 2001). An extension to the resource-based view is the dynamic capabilities approach (Teece, Pisano and Shuen, 1997) which refers to the firm's activities of integrating resources (Eisenhardt and Martin, 2000) that are imperative for identifying (as well as successfully exploiting) opportunities in the market (Zahra, Sapienza and Davidsson, 2006).

The second construct of the growth of the firms' resource perspective relates to the human capital operating the business (Cressy, 2006; Koeller and Lechler, 2006); including the knowledge, skills and experience assisting the entrepreneurs in identifying opportunities for pursuing growth (Alvarez and Busenitz, 2001). The third construct relates to network resources and includes inter-organisational (Higgins and Gulati, 2006), intra-organisational (Kor, 2003) and inter-personal (Bosma, Praag, Thurik and de Wit, 2004) networks which are crucial for firm growth. These three theoretical constructs of the resource-based perspective also help to understand firms' growth processes.

2.2.7 GROWTH OF THE FIRM AS A PROCESS

A significant number of articles have used Penrose's theory for studying growth to show that there is more to growth than just stages. Building on Penrose's resource-based approach, Blundel (2002) identifies growth paths in two food producing firms along with their effective business networks. Using the same approach, Stanworth, Stanworth, Watson, Purdy and Healeas (2004) focus on human resource development and the growth accomplishments of successful franchise businesses in the UK.

Crick, Chaudhury and Batstone (2000) look into the growth strategies of UK small and medium sized firms exporting agricultural products. From survey and interview data, they find that firms using export market expansion strategies tend to gain

similar growth competitiveness. Moving away from agricultural products, McMahon (2001) focuses on Australian manufacturing SMEs and studies the effects of financial reporting on their performance. He confirms that effective and efficient utilisation of economic resources ensures greater performances. Henson (2009) performs a qualitative case-based study on the Australian regional SMEs and proposes a multidimensional conceptual framework to explain the transition from start-up to growth in the specific context of a small scale non-urban setting. He names the actions, activities and processes as “Humanising Elements”. The framework includes the entrepreneurial and managerial behaviour as key facilitators of firm growth.

Growth is inevitably coupled with the process of knowledge acquisition and application. Integrating the Penrosian approach with learning capabilities, Pettus (2001) identifies the sequential development of the firm’s resources to best ensure growth. Koeller and Lechler (2006) follow Penrose’s growth theory and develop a framework by integrating the managerial and economic attributes of high-tech German firms to explain growth in the early stages of their life cycles. Garnsey, Stam and Hefferman (2006) also agree with Penrose and confirm that the processes of opportunity identification and resource mobilisation shape growth experiences. They compare longitudinal samples from UK, Germany and the Netherlands and confirm recurring but non-linear growth patterns of new firms. The same resource-based approach is viewed differently by Macpherson and Holt (2007). They use it as a base to measure the effects of learning on small firm growth. They report that learning facilitates growth when influenced by resources, structures and networks.

The major influence of Penrose’s approach is manifested in the works mentioned earlier. Researchers tend to comply with how she conceptualised growth as determined by how entrepreneurial and managerial resources and capabilities are applied. As an extension of Penrose’s theory, Lockett, Wiklund, Davidsson and Girma (2011) analyse a panel data of Swedish firms over ten years and conclude that organic growth and acquisitive growth have different effects on the firm’s future organic growth. They find previous organic growth acts as a constraint on current organic growth; whereas previous acquisitive growth accelerates current organic growth.

The process of growth involves multiple actions, strategies and indicators (McKelvie and Wiklund, 2010). Therefore, the process of growth is different for each firm and thus significant differences can be identified among the internal actions taken by those firms. Some studies do not comply with the general assumptions on firm growth.³ Growth has always been treated as positive. Growth indicators have even been used interchangeably. However, differences are reported. Davidsson et al. (2009) question whether growth should always be used as a measure of success. Using the resource-based view to examine the relationship between profit and sales growth, they come to the conclusion that growth, in fact, can reduce firm profitability. In another study Chandler et al. (2009) attempt to unfold what goes on within the firm while it is growing. The authors use Transaction Cost Economics reasoning to examine the complex relationship between sales growth and employment growth by analysing firms that experience sales growth and whether they add employees as a result. Examining the impact of sales growth on employment growth, the authors confirm that depending on the environmental condition, employment growth may not always accompany sales growth.

While some studies deal with factors influencing growth, some researchers attempt to capture the whole picture by suggesting overarching theories. Davidsson (1991) develops an integrated model of firm growth and categorises all the factors affecting growth under the broad areas of *ability*, *need* and *opportunity*. He argues *need* to be the most influential determinant among them. Later on Wiklund (1998) brings the *resource-based view*, the *motivation perspective* and *strategic choice* together. He finds strategic adoption by entrepreneurs directly influences growth, while motivations and resources are affected indirectly through their strategies. In a similar study of psychological factors affecting firm growth, Baum and Locke (2004) confirm strong direct impacts of goals, vision and self-efficacy. Wiklund et al. (2009) develop an integrative model of small firm growth by measuring both direct and indirect impacts of environmental factors, entrepreneurial orientation, availability of resources, and managers' perspectives.

³ Growth is commonly used as a measure of success and development.

This section can be summarised by saying that investigations on small business growth issues are no longer short in supply. But this does not mean that all the areas have been adequately investigated. From the review it is clear that a coherent picture of growth is still missing. A large number of empirical studies have focused on different issues and thus fail to develop a holistic framework. Such a holistic framework needs to be contextualised. In order to do this, the current study focuses on women-owned firms in the context of a developing economy. Therefore, a framework is developed using Brush et al. (2010) and Penrose (1959) to provide an overall perspective on the growth experiences of women entrepreneurs in Bangladesh.

2.3 GROWTH OF WOMEN-OWNED FIRMS

The women's entrepreneurship literature began with sets of problems and issues as with the general body of entrepreneurship literature (James, 2012). Although firm growth has been a central issue in general entrepreneurial studies, the growth of women-owned firms received little attention until 1999. In the academic field, studies on female entrepreneurship were still insignificant (Gatewood et al., 2003; de Bruin, Brush and Welter, 2006; Holmquist and Carter, 2009). Growth aspects of women-owned enterprises were poorly conceptualised and explained due to a lack of theoretical grounding, which was confirmed by Brush et al. (2006, p.4) who found that an "...understanding of factors affecting growth" is absent. However, since 2006, research into growth issues relating to women-owned businesses has developed significantly (Hughes et al., 2012).

In the development of the women's entrepreneurship literature, the contribution of feminist theory needs to be acknowledged. Feminist theory refers to epistemologies and methodologies analysing how women's and men's lives are conceptualised in traditional social science (Harding, 1987). Women and gender are taken into account in feminist analysis for descriptions and explanations (Harding, 1991). In this way, feminist analysis extends the understanding of the role of 'women' in entrepreneurship by examining women's experiences within the broader domain of

entrepreneurship. 'Gender' is viewed as a social construction creating and amplifying differences that preserve power relations between men and women (Calas, Smircich and Bourne, 2009). Thus, women's entrepreneurship is socially constructed. Therefore, entrepreneurship in both concept and reality is gendered and requires a new research direction with report to women entrepreneurship, suggesting a constructionist epistemological position for studying how women entrepreneurs construct their lives and businesses (Ahl, 2006). In this way, Ahl (2006) argues for a major change the current practice of entrepreneurship studies, where women are considered as secondary to men and their businesses less important. Ahl (2006, p. 613) goes on to state that "...the growth ideal is therefore another gendered attribute that merits a closer look and more research." This sets the sociological dimension to women-owned firms.

Accepting the gendered reality, there have been calls for an alternative research focus, away from women negotiating the unequal world as gendered entrepreneurs, towards successful women in the entrepreneurial process (Bird and Brush, 2002; Brush, de Bruin and Welter, 2009). Following this latter approach, James (2012) argues for a concerted focus on the successes of women entrepreneurs rather than the problems experienced by them.

The two major new approaches of gendered attributes and process-driven success provide a great deal of inspiration for studying women's entrepreneurship in new directions. This current study of successful women entrepreneurs, while not discounting the valuable contributions of feminist theory towards the understanding of women entrepreneurship, adopts the approach of understanding the entrepreneurial process that enables women to negotiate success in the given gendered reality of a traditional male-dominated society.

Addressing women in the entrepreneurial process, firm growth can be viewed as the result of an entrepreneur's positively motivated business intentions and strategies. Much research deals with: the motivational aspects of women and their effects on firm growth (Lerner, Brush and Hisrich, 1997; Moore and Buttner, 1997); how business performance is influenced by its location, e.g. urban or rural (Merrett and

Gruidi, 2000); and how business development is affected by size and sector (Cliff 1998; Du Reitz and Henrekson, 2000). Also, several researchers (Hisrich and Brush, 1984; Birley, 1989; Cliff, 1998; Boden and Nucci, 2000; Merrett and Gruidl, 2000; Westhead, 2003; Brush et al., 2006) focus on the comparative differences between male and female entrepreneurs. In these works, a problem-based focus signifies the origins, factors and consequences of how women-owned businesses encounter processes that lead to performing poorly in comparison to male-owned businesses.

Rosa, Carter and Hamilton (1996) carried out extensive research and identify the features of women-owned firms which include: low profitability; small numbers of employees; a focus on a small segment of the market; being not very ambitious for growth; and being more pessimistic than men concerning future success. Following the same perspective, Cliff (1998) argues that women entrepreneurs tend to see success as controllable growth compared to their male counterparts. However, mentioning the difficulties of such studies Ahl (2006) has reinforced the gendered perceptions of women's businesses. These comparison-type findings are challenged by Fielden and Davidson (2010) who discover the way women entrepreneurs perceive their chance of success in business is often different from men, which impacts on perceptions of what is 'success'. Gatewood, Shaver, Powers and Gartner (2002) argue that women entrepreneurs pursue the action of starting a business for the purpose of achieving desired outcomes, for example self-realisation, status, autonomy and financial success. Consistent with this approach, Wood (2010, p. 13) recognises such success in terms of "a degree of balance and flexibility" in achieving firm growth. In another similar study, Hechavarria, Ingram, Justo and Terjesen (2012) argue that women entrepreneurs are less likely to be motivated by the typical mainstream entrepreneurs' goal, mainly economic value creation. They rather play a prominent role in extending value creation in the field of social and environmental entrepreneurship.

Many studies emphasise the importance of financial capabilities for growing women-owned businesses; for example, Carter and Allen (1997) ascertain that financial capabilities are more important than the growth intention of the owner. They argue that women may not be able to expand their business because of a lack

of financial support. These findings are supported by Gundry and Welsch (2001) who highlight the need for appropriate capitalisation, necessary financial resources, well-designed structure, control on quality, and prior planning for continuously growing women-owned enterprises. In a similar study, Barrett (2006) identifies Australian women entrepreneurs as facing the obstacles of financial capital access, networks and strategic choice in growing their ventures.

From a review of Australian women entrepreneurs, Wood (2010, p. 13) concludes that, despite the hurdles, if appropriate measures are taken for appraising women entrepreneur's performance and success, then women can be seen as "...finding another way of working that they believe will bring them more satisfaction." This can lead to different 'success' outcomes, depending on specific industry characteristics and the size and age of the firm. This opens the door for more judicious women related studies that recognise the role and achievement of women, particularly in SMEs, and their growth outcomes.

Growth of women-owned firms in developing countries

The studies from this growth oriented perspective, as identified above, are based in developed countries. The nature of growth is very different in developing countries. The number of women-owned businesses is increasing in developing countries but, significantly, they tend to be relatively small and limited in their capacity to grasp growth opportunities (Woldie and Adersua, 2004; Mitra, 2002; Bushell, 2008). A number of studies examine the obstacles to growth for such smaller women-owned firms in the developing world. Among the obstacles identified are: a lack of resources for improving firm capabilities (Chea, 2008); an inability to access funding (Halkias, Nwajiuba, Harkiolakis and Caracatsanis, 2011; Abzug, 2002; Chea, 2008); discriminatory cultural factors (Robinson, Blockson, and Robinson, 2007; Woldie and Adersua, 2004) and lack of time after housework is prioritised (Kevane and Wydick, 2001).

Family support, informal networking and freedom to meet people can play a vital role in enterprise development (Roomi, 2013). In Islamic countries like Pakistan, religious-social-cultural constructs put many restrictions on women (Matthew, 2010;

Roomi, 2013; Tambunan, 2007). In addition, women in Islamic nations are frequently poor in terms of human and technological resources and face business restrictions, as well as social cultural barriers (Tambunan, 2007). Welter and Smallbone (2008) identify the contextual importance for successful women's entrepreneurship and that government regulations and institutional bottlenecks hinder growth opportunities in Belarus, Moldova, Ukraine and Uzbekistan.

There are, however, some positive reports of growth in women-owned firms. Chirwa (2008) reports rapid employment growth of women-owned Malawi firms compared to their male counterparts. From regression results of survey data, education is identified as one of the most important success factors for Malawian women entrepreneurs. Other research has identified family support (Halkias et al., 2011) and management training and business networking (Bushell, 2008) as important success factors.

Tambunan (2009) identifies three types of women entrepreneurs in Asian developing countries: chance, created, and forced entrepreneurs. Chance and created entrepreneurs are motivated by 'pull' factors relating to opportunities identified and exploited. Forced entrepreneurs are compelled by 'displacement' circumstances. Financial motivation, such as the loss of employment (and/or a husband's unemployment), can create 'push' factors that motivate women to embark on an entrepreneurial career. In the context of developing countries, Das (2000) finds 'push' factors to be more influential for Asian women entrepreneurs than 'pull' or 'chance' factors. Tambunan (2009) also finds that most Asian women entrepreneurs fall into the category of 'forced' entrepreneurs, and that the 'push' factors that motivated these women to become entrepreneurs can also limit their growth aspirations. Given that most Asian women appear to be 'pushed' into entrepreneurship, there is limited research available specifically focusing on Asian women who have been 'pulled' into entrepreneurship.

It is evident from the literature that gender plays a role when it comes to business performance as it can influence an entrepreneur's ability to achieve business growth, particularly in the context of developing economies. Women-owned firms in

developing economies typically start with little capital and often face difficulties in accessing bank loans. In such circumstances, financial and emotional support provided by family can significantly impact the performance of women-owned firms (Tambunan, 2009). Given there can be substantial differences among groups of women in terms of their backgrounds and how they grow their businesses, it is important to recognise these contextual differences if the complexities of the growth process are to be properly understood. This study, therefore, focuses on the role of 'pull' factors in the growth of women-owned urban-based businesses within a developing country context (Bangladesh).

2.3.1 THE DIANA INTERNATIONAL PROJECT

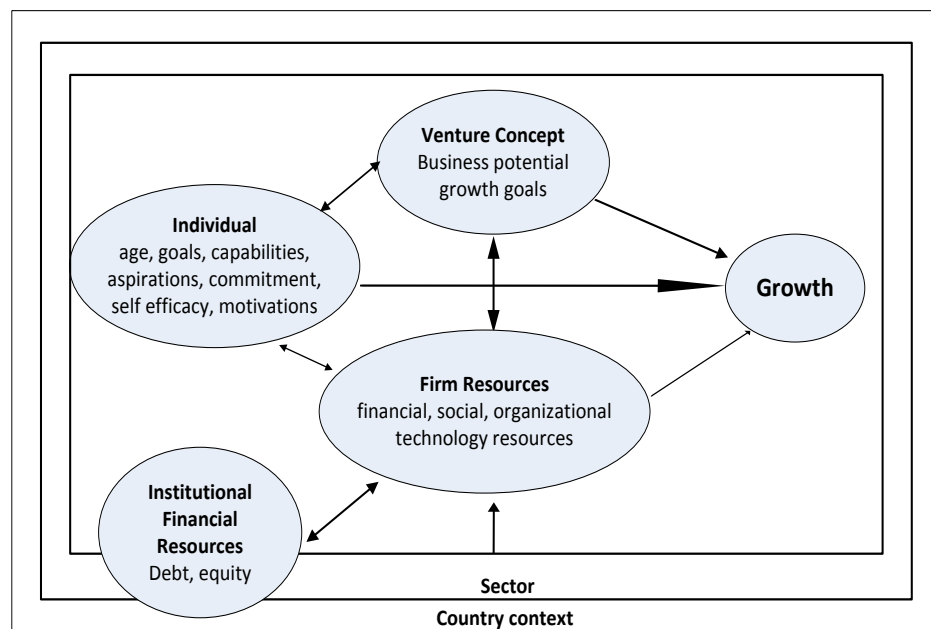
In 1999, the Diana Project was the first endeavour by a group of women researchers to establish a common platform for studying women business owners and their business growth activities in the United States. The Diana Project was built on the vast experiences of the researchers in the area of entrepreneurship in general and women entrepreneurship, business growth and venture capital in particular. The Diana Project had four distinctive phases. The first phase consisted of a review of research on equity investments. The second phase addressed the demand side, the issue of women seeking financing. The third phase addressed the supply side, the issue of the venture capital industry. The fourth phase involved the building of a platform for developing a global research agenda in the field of women's entrepreneurship and business growth.

This multi-method research found that women entrepreneurs rarely obtain adequate funds to finance high-speed growth and reach their businesses full potential. A mismatch between women entrepreneurs, their firms and sources of growth funds was reported (Brush, Greene and Hart, 2001), which drew the attention of researchers as well as policy-makers who were interested in providing better infrastructure for growth oriented women entrepreneurs (Hart, 2003). By 2006, the project included more than thirty researchers from twenty countries. This collaboration of scholars from around the world thoroughly investigated the

phenomena of growth in women-owned firms as well as the reasons behind typical gender differences in growth performance. A series of country reports on the state of women's entrepreneurship was followed by a book publication in 2006. A framework (see Figure 2.1) was developed for examining the influences of various external and internal factors in the growth of women-owned firms.

This framework comprises factors influencing the growth of women-owned firms including: the individual, venture concept, firm resources and institutional financial resources. These factors are contained within an industry sector as well as a country context. Using this Brush et al. (2006) framework, a number of studies were conducted in the Diana International Project that analysed business growth from both demand and supply side perspectives, drawing participants from Europe, Australia and North America. They investigated the interplay between social and human capital, access to finance, risk management, skill and motivation differences of women and understanding perceptions of bankers making decisions about women-owned firms.

Figure 2.1 Research framework for growth in women-owned businesses



Source: Brush et al. (2006, p. 8)

The Brush et al. (2006) framework was modified in 2010 in order to be able to examine the influence of the family context of individual women entrepreneurs. A number of studies have used this model as a framework of analysis and a review of these studies is conducted below.

Contextual factors of women-owned firm growth

Although entrepreneurs, regardless of gender, share a number of common characteristics such as creativity, drive, enthusiasm, decision making and problem solving ability; women entrepreneurs tend to possess some unique characteristics which differentiate them from male entrepreneurs. Treanor and Henry (2010) compare the experiences, motivations, characteristics and influences of Irish and Czech women entrepreneurs concerning venture start-up and growth. The study identifies similarities in relation to women's ventures and individual profiles as well as sectors in which they operate and differences in relation to size and growth of firms. Supporting this, entrepreneurial self-efficacy is examined by Garcia (2012). Drawing on Spanish survey data, the results confirm no significant gender difference in entrepreneurial self-efficacy. However, it may vary with entrepreneur's age, experience, education, growth intentions and industry sectors.

Different studies have demonstrated that an entrepreneur's growth intentions and aspirations impact on the actual growth of the firms. Although not all expectations materialise, growth aspirations have been considered as a good predictor of eventual growth. Carter (1989) suggests women in unconventional business sectors are likely to have higher aspirations, be more achievement-oriented and consider entrepreneurship as a long term career option. Tominc and Robernik (2006) examine growth aspirations of women entrepreneurs in Slovenia. The findings confirm a positive climate for women in the context of economic growth in a transitional economy. This shows significant difference in participation, involvement and aspirations for growth between men and women entrepreneurs. Along the same lines, Sirec, Tominc and Rebenik (2010) argue that male entrepreneurs aspire for growing sales revenue, whereas women entrepreneurs aspire to increase their firm's assets. The study finds that technology orientation also plays an important part in firm growth. Bager and Schott (2004) indicate that nascent entrepreneurs

tend to possess higher aspirations than established entrepreneurs. Confirming previous findings, Hill, Leitch and Harrison (2010) report more similarities in relation to growth aspirations and achievements than differences among men and women in high-technology business owners in Northern Ireland.

Entrepreneurial activity is embedded in a family system. Therefore, entrepreneurial decisions, processes and outcomes are influenced by the entrepreneur's family. Female entrepreneurs are likely to benefit from various forms of family-to-business enrichment (Powell and Eddleston, 2013). Women entrepreneurs tend to achieve an appropriate work-family balance with the support of family and close friends (Lituchy, Reavley and Bryer, 2003). In another study, Riebe (2012) concludes that highly accomplished women entrepreneurs do not perceive any conflict between work and personal relationships. Moreover, Duchesneau and Gartner (1990) and Gimeno, Folta, Cooper and Woo (1997) have found that entrepreneurs whose fathers were also entrepreneurs, tend to perform better in terms of their business's survival and growth. Further, in a study in the United States and Europe, Tonoyan, Budig and Strohmeier (2010) examine the impact of family structure and family policies (such as publicly funded childcare and maternity leave length) on women's entry into professional and non-professional entrepreneurship. Results confirm that institutional variations between welfare states create cross-country variations in the occupational status of women's self-employment.

Cowling (2010) investigated differences in entrepreneurship rates, job creation and the reasons for these differences across several countries in Europe. The results confirm large gender differences, with men significantly choosing self-employment over waged employment and creating job through self-employment. However, childcare and eldercare responsibilities are major reasons that increase the possibility of women choosing self-employment. In a similar study, Also, Jensen and Ljunggren (2010) explore the cultural, historical, social and economic reasons behind the low level of women's entrepreneurship in Norway in what they termed as 'the women's entrepreneurship paradox'. Although Norway is portrayed as a pioneer of gender equality, the study reveals that construction of entrepreneurship and the business sector is still gendered. The authors hold that, the gendered

construction of entrepreneurship is rooted in historical paths and strengthened through contemporary practices which have impacted on the probability of women becoming entrepreneurs. The similar 'paradox' of low women participation in the highest level of management and decision making is examined by Kotiranta, Kovalainen and Rouvinen (2010) in Finland. This study confirms that women go through tougher screening processes (which increases their average leadership abilities) than do their male counterparts.

National and industrial contexts thus shape the nature and trajectory of women's entrepreneurial performance. A qualitative research by Humbert and Essers (2012) offers insights into Turkish women entrepreneurs operating in the UK and the Netherlands. The results reveal varying influences of the national context, as Turkish women in the Netherlands experience more tension between their identities as women, migrants and entrepreneurs. In the UK, however, such Turkish women are found to be more included within mainstream as well as within Turkish business circles. Zohir and Greene (2012) study the national context of Bangladesh; one of few studies on women's entrepreneurship in developing countries. They argue that although the government has made several commitments towards gender equality, women entrepreneurs continue to face obstacles in accessing institutional financing. The study suggests improvement in financial procedures as well as enhancement in capabilities and expertise of women entrepreneurs.

Women's entrepreneurship in transition economies, which is well researched, shows various levels of embeddedness and impacts of changes in economies under the Diana International Project. Manolova (2006) examines the similarities and differences of male and women entrepreneurs in the context of the transition economy of Bulgaria. The findings confirm gender-based differences across human, social and financial growth capital in the Bulgarian construction industry. Men are more successful in maintaining social networks and taking advantage of them, especially during the start-up of their ventures. Economic transition in Belarus, Moldova, Ukraine and Uzbekistan has contributed to the emergence of women entrepreneurs (Welter and Smallbone, 2010). Applying an institutional theory perspective, the study conceptualises different levels of institutional embeddedness

in relation to women's entrepreneurship and relates it to the transition context of Soviet and post-soviet economy. The contributions of women entrepreneurs to the social change as job providers are evident from the results. Kickul, Griffiths, Gundry and Iakovleva (2010) study of the transition economy of Russia examining the factors influencing the growth of women-owned small firms. Results reveal that mentoring is a significant factor for the development and sustainability of business performance. It also presents an understanding of support provided by mentors and role models for better nurturing women's entrepreneurial efforts.

Broadening the area of research, Fuentes-Fuentes, Cooper, Bojica, Hughes, and Jennings (2012) explore the combined influence of national and industrial context on the business performance of female academic entrepreneurs in the university sectors of Scotland and Spain. Based on interview data of academic women and technology transfer officers, the authors identify the combined influence of individual factors. The findings also stress the importance of universities adopting gender-aware policies and practices to be able to stabilize negative influences from the macro environment.

A number of studies have examined women entrepreneurs' access to and ability to use various sources of financing. Watson, Newby and Mahuka (2006) analyse external funding of Australian small businesses. Using focus group sessions, comparisons between male and female-owned SMEs are made which show that women are less likely than men to access bank financing. However, if they access bank financing, they tend to repay it earlier than their male counterparts. Based on semi-structure interviews, another study by Leitch, Hill and Harrison (2006) confirms the same findings for women entrepreneurs of Northern Ireland. The effects of gender on the availability of resources are also explored by Diaz and Jimenez (2006). Using both parametric and non-parametric tests, the influences of human, social and financial capital on economic performance and perceptions of success are tested. de Bruin and Flint-Hartle (2006) also study financial issues relating to women entrepreneurs. Based on in-depth interview and survey data, they examine the growth experiences of successful women entrepreneurs in New Zealand.

The findings identify a strong dependence on relationships between suppliers, customers, staff and markets for firm growth.

In the UK, the influence of gender in the bank lending process is investigated by Carter, Shaw, Wilson and Lam (2006). The findings confirm that banks work in a gender neutral manner in order to avoid individual biased decisions. However, gender differences are reported in terms of the size of firms and their level of capitalisation, with female businesses suffering lower funding in relation to both these factors. Coleman and Robb (2012) offer several new insights into the gender-gap in financing and firm performance. Using longitudinal data and testing a hypothesis derived from resource-based theory and motivation theory, the authors find gaps from higher male-owned and lower female-owned firms' business performance, when controlling for standard factors. They conclude that, these performance gaps are better understood when gender differences in motivation, start-up capital and desire for controlled growth (rather than rapid growth) are acknowledged.

Strategy and entrepreneurship

A number of studies examine strategies, approaches, constraints and enablers of growth and performance of women-owned business. Building on the family embeddedness approach of entrepreneurship research, Jennings, Hughes and Jennings (2010) attempt to explain why women-led businesses underperform in comparison to men-led businesses. Focusing on both growth-restricting and growth-facilitating strategies (at an individual as well as a couple level), the study detects very few gender differences. The findings highlight the significance of acknowledging context more explicitly within women's entrepreneurship research.

The relationship between business ownership, finance and gender is a complex phenomenon. Despite a large number of studies concerning the issue, why external financing poses challenge to women entrepreneurs remains unresolved. Shaw, Carter and Lam (2010) explore the relationship between gender, finance and entrepreneurial capital, which is influenced by a variety of economic, personal and social factors. Findings show that non-financial capital affects women entrepreneurs'

possession of and access to finance. It also reveals that male owners are significantly older, suggesting that age and experience are important components of human capital with implications for social and financial capital.

Orser and Leck (2010) examine the relationship between gender and opportunity recognition, resource acquisition and organisational structure. Using entrepreneurship and feminist theory, a gender-based typology and a construct of 'feminist entrepreneurs' is presented. The study reveals that opportunity recognition was based on the entrepreneurs' unique medical and clinical knowledge. However, the acquisitions of political, bureaucratic and financial resources needed to operationalise the opportunity are controlled by men.

Entrepreneurs' social networks provide access to resources including information, knowledge, legitimacy and finance. An increasing number of studies show how social networks are gendered. In a study of gendered management networks, Burke, Rothstein and Bristor (1995) report more women in women entrepreneurs' networks and vice versa. Consistent with this research, Klyver and Terjesen (2010) find that female entrepreneurs have significantly lower proportions of males in their social networks. However, there are no differences in terms of density or composition in relation to the proportion of business, family or emotional support relations. In a similar study, Farr-Wharton and Brunetto (2010) focus on the importance of internal employee networks within the SME sector. Results show that female entrepreneurs emphasise the quality of social capital more when compared with their male counterparts. Female entrepreneurs encourage and promote the development of social capital through positive behaviour such as sharing information, resources and respect.

Based on a case study of a women entrepreneur in Ireland, McAdam and Marlow (2010) examine the role of a business incubator environment as a resource for women entrepreneurs. The study reveals that the incubator culture continues to be gendered and suggests incubators need to offer greater recognition and value for female entrepreneurs.

Different studies have taken up diverse areas of research related to strategic processes, including new questions that have not been researched before as well as familiar questions that have been analysed in a new way. Fairclough (2012) asks questions regarding the role that social welfare policies play in women's entrepreneurship in relation to their start-up and growth across countries. Based on the 'welfare regimes framework' and 'real options perspective', the author holds that women entrepreneur's response to work-family conflict, as well as identification of pushed and pulled entrepreneurship, is uniquely shaped by distinct social welfare approaches. Sharifian, Jennings and Jennings (2012) also attempt to study an important, yet largely unexamined, issue regarding the benefit of operating a business with a spouse. Based on survey data from small firms in Western Canada, the authors find no significant difference in business performance. However, it is clear from above studies that greater equity at home positively influences family satisfaction, but with adverse effects on business and performance.

New questions are also raised by Hechavarria et al. (2012) in regards to the link between the rise of women's entrepreneurship and 'social entrepreneurship' as well as 'ecopreneurship'. The results show that male entrepreneurs tend to place greater importance on economic outcomes such as profit, whereas female entrepreneurs place more emphasis on social and environmental welfare. In a similar study, women entrepreneurs' connection with achievement and success is researched in a unique way by Riebe (2012). Drawing on data from online questionnaires with a group of highly successful American women, the author argues that the results do not conform to earlier findings in relation to success, self-silencing, relational approaches as well as conflict management.

Klyver, Nielsen and Evald (2012) attempt to identify the relationship between institutional context and individual employment patterns across 50 countries. The authors confirm that low levels of female entrepreneurial activity are caused by high levels of institutionalised gender inequality. Furthermore, favourable social welfare policies reduce self-employment in women of child-bearing age.

James (2012) writes a reflexive critical article in regards to the principal approaches to studying women entrepreneurship. Drawing on case study data of a successful woman operating in a male dominated industry, the author sketches an alternative framework of women's entrepreneurship in order to understand the factors and conditions which allow women-owned firms to grow.

The Diana International Research Network has moved the research on women's entrepreneurship forward by contributing theoretically, empirically and methodologically towards building a complete picture of women's entrepreneurial activities around the world. However, opportunities exist in terms of studies set in the developing economy context. This research project has been significantly influenced by the studies of The Diana International Research Network and used the Brush et al. model as the framework of analysis. This research project offers a systematic investigation of women's entrepreneurship in a developing economy situation.

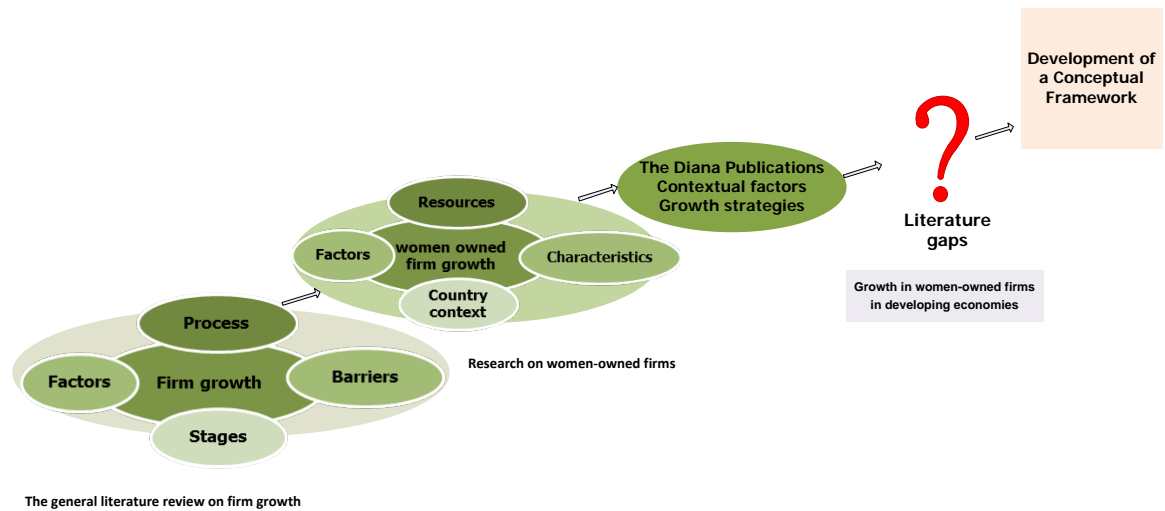
2.4 GAPS IN THE LITERATURE

The literature review on firm growth covered contributions on a broad level by identifying and researching them in a systematic manner. For the purpose of pulling together this broad cross section of literature it was categorised into two sections entitled: 'growth of the firm'; and 'growth of women-owned firms'. This categorisation provides a structure for the literature to be viewed with the common themes and characteristics set out in Figure 2.2.

The first section of the literature examined a significant body of studies that researched the issue of firm growth in general with factors, processes, stages and barriers to growth identified. Then the review was narrowed down to the extent of exploring the body of literature on women-owned firm growth. Insights into the growth of women-owned firms were gathered from the literature reviewed on factors, resources, characteristics, strategies and approaches assisting growth, as well as their growth processes. The Diana publications were reviewed based on

their contextual factors as well as their growth strategies. Significant gaps were identified in the literature which provides opportunities for narrowing the focus of this research further into a particular area of investigation.

Figure 2.2 Structure of literature review



Although the growth of small businesses represents one of the fundamental focuses of entrepreneurship study (McKelvie and Wiklund, 2010) and extensive research has been conducted on this issue; only a few studies could be found on the growth aspects of women-owned businesses prior to 2006. Although female entrepreneurs have increased in numbers across the world (Fielden and Davidson, 2010) they have not been able to attract much attention from scholars and researchers, especially in the context of developing economies.

Research for the purpose of understanding the growth perspectives of women-owned firms in developing countries requires more attention. This area is limited to a few characteristics of women and coverage of this analysis lacks any study of institutional circumstances surrounding women in growth firms. Although a number of studies have been conducted by non-government organisations (NGOs) regarding the issues of microfinance and rural SME developments (Pitt, Khandker and Cartwright, 2004; Kabeer, 2001; Islam and Miah, 2008, Aslanbeigui, Oakes and Uddin, 2010), investigations into the growth aspects of women-owned SMEs are yet

to be conducted in major urban areas. Such firm growth in large urban areas provides a strong insight to economic development. More specifically, there is a dearth of growth studies on women entrepreneurs in developing countries, especially in the context of the Diana International Project. A focus on very successful women-owned growth 'outliers' can shed light on the growth process and its success, as first identified by Edith Penrose.

The literature relating to the growth of firms in general and more recently into the growth of women-owned firms in particular is substantial. However, significant research gaps (as identified above) still exist and provide support for the importance of the issue of the growth of women-owned firms in developing economies. The shortage of research in this area signifies a potential contribution to this field of study based on the important role women-owned firms can play in economic development.

Realising the complexity of the business world and the myriad of variables that tend to influence the growth of firms, developing an idea theoretical model may not be easy. However, a pragmatic approach is adopted for the representation of the dynamic nature of growth in women-owned firms in the context of developing economies and a set of research questions is developed for this research project in section 1.3 in Chapter 1.

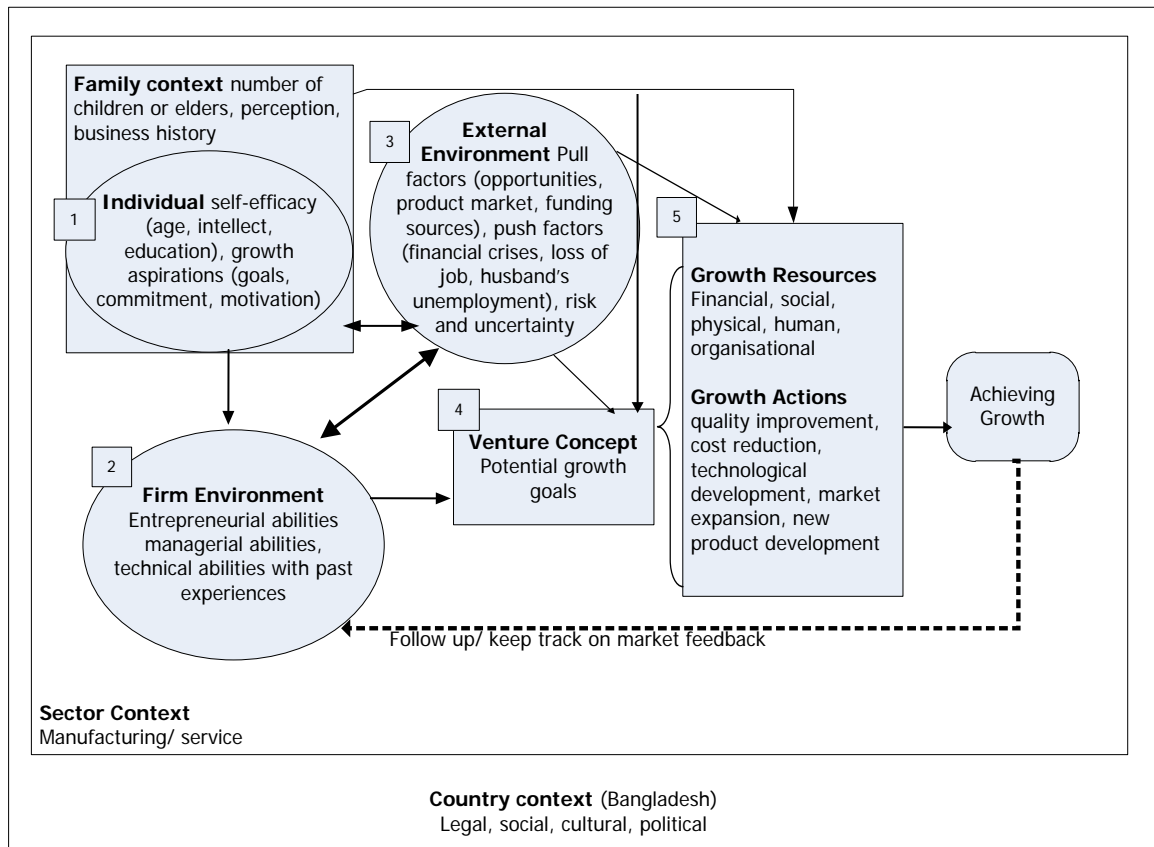
In order to provide guidance for conducting this research project, as well as collecting and analysing data, a set of research questions was developed. This study attempts to investigate the growth experiences of women SMEs owners to provide a better understanding of the growth phenomenon of women entrepreneurs in Bangladesh. It aims to understand why and how women-owned SMEs grow in the context of a developing economy like Bangladesh. Based on the context and gaps recognised above; research questions have been formulated in section 1.3 in Chapter 1.

2.5 CONCEPTUAL FRAMEWORK FOR WOMEN-OWNED SME GROWTH

The research questions have been developed within the conceptual framework Building on the comprehensive study of the relevant literature discussed previously in this chapter, this framework attempts to represent the complexity of firm growth. It observes that entrepreneurial competencies, environmental factors, resources and contextual issues all influence the growth of an SME. The conceptual framework is presented in a diagrammatic interpretation of firm growth in Figure 2.3. It illustrates the interactive connections of an entrepreneur at an individual level, as well as firm level elements, to form a holistic illustration of a multifaceted phenomenon.

The conceptual framework, as shown in Figure 2.3, incorporates components derived from the literature review. Each of the components is based upon seminal works in the field. The growth model developed by Brush et al. (2010) forms the foundation for evaluating the factors influencing the growth of individual women-owned firms. As shown in Figure 2.3, the elements [1], [3], [4] and [5] were adopted from Brush et al. (2010) based on the Diana Project and focusing on factors influencing women-owned businesses. The framework was modified and expanded with the addition of element [2] from Penrose (1959), in order to incorporate the impact of entrepreneurial, managerial and technical abilities in firm growth; and element [5], which identifies how firms achieve this growth *via* growth resources and actions. In this study, the external environment [3] context is related to a specific group of successful women-owned firms that have experienced strong growth in the urban-based city of Dhaka. This framework is flexible as it allows variations of these elements, depending on the external environment, to be used for evaluation of any region with successful firm growth to be evaluated.

Figure 2.3 Conceptual framework for growth of women-owned SMEs



An examination of each of the five main elements is presented below:

[1] Individual factors and family context

The entrepreneur's individual characteristics and family context are the starting element in this framework. These characteristics form the basis of the type of successful firm and its internal environment which the individual entrepreneur is building. These factors are given features which the entrepreneur was endowed with and are embedded in the family context that sets the initial base for the firm to be established and grow.

Each entrepreneur possesses a unique bundle of individual characteristics related to self-efficacy (age, intellect and education) and growth aspirations (goals, commitment and motivation) which form the base for new venture creation. The owner's level of education and knowledge tend to be positively associated with firm success (Langowitz and Minniti, 2007). However, Wilson, Kickul and Marlino (2007) recognise low entrepreneurial self-efficacy among highly qualified women holding

an MBA degree with previous work experience. The potential for business growth is also influenced by the owner's individual growth ambitions. Women tend to differ from men in their entrepreneurial aspirations (Sirec et al., 2010) and motivation for success (Treanor and Henry, 2010), with less immediate urgency and a longer term perspective. The extent and process of growth is also determined by the owner's ability to accumulate funds and initiate effective negotiation.

Greater emphasis has been placed on the need for contextualising women's entrepreneurship at the family level (Brush et al., 2010). Every entrepreneur (as an individual) is embedded within the family context which has a "...greater impact on women than men in the entrepreneurial process" (Brush et al., 2010, p. 4). In Figure 2.3 the individual characteristics of the women entrepreneurs are captured within the outer square of her family context. Family context may include the: number of children or elders to be taken care of; perception towards women entrepreneurship; and family history in business.

[2] *Firm environment*

This element is made up of the owner's entrepreneurial, managerial, and technical capabilities together with her past experiences; all of which are brought to the firm environment. Entrepreneurial capabilities are a function of imagination (Penrose, 1959) and are essential for firm growth. The owner's entrepreneurial versatility is formed with her: imaginative efforts, sense of timing, ability to make decision and ability to recognise demand in the market. The entrepreneur needs to build this entrepreneurial capability within the firm, because growth depends on the ability of the firm (as an organisation) to perceive and to act upon opportunities for profitable growth, experimenting with new ideas as well as moving the business into new geographical areas.

Managerial capabilities are made up of administrative abilities including the insertion of resources into the firm and the application of appropriate actions. These qualities are needed for transforming ideas into realities and have practical implications on growing the firm (Penrose, 1959). Growth depends on the owner's ability to decide on the resources to be used and the activities to be carried out.

Vigorous and creative managerial capabilities allow the firm to alter the range of products and expand the total output. Technical capabilities can be achieved through years of college education, advanced professional degrees, industry specific knowledge or experience, as well as specialised training. Shane (2000) studies firm growth and notes that technological abilities are crucial for enhancing the firm's ability to identify market opportunities.

Previous experiences also increase the likelihood that a firm is more prepared to deal with a wide range of issues concerning firm growth. Studying this, Heirman and Clarysse (2005) argue that firm growth is influenced by entrepreneurial experiences. Managerial experiences in the same industry also help the entrepreneur to accumulate the necessary business and management skills which are important for achieving firm growth (Bonaccorsi and Giannangeli, 2010). Here, the differing experiences of women compared to men raised earlier (e.g. Kevane and Wydick 2001) impact on the way the three capabilities are built into the firm environment.

[3] *External environment*

This element is specific to the external environment and includes both 'pull' and 'push' factors. 'Pull' factors strongly drive product markets, opportunities and funding sources. The ability of the firm to grow depends, in large part, on the external opportunities available to it. The larger the opportunity set, the larger the growth potential (McKelvie and Wiklund, 2010). A firm's competence to cater to a large market will facilitate its growth potential. Access to external funding sources, including financial institutions or equity providers, is also important for firm growth and may differ for men and women-owned businesses. Women are frequently 'pushed' to start and run their own business due to a financial crisis (such as losing their job or their husband's unemployment). In these cases entrepreneurs may not initially seek high growth because of the risks and uncertainty involved. The chances of failure can be reduced by estimating the risk and managing uncertainty attached to various courses of actions. Women tend to be better at self-screening, which makes women able to reduce risk by doing what they know (Ljunggren and Kolvereid, 1996).

[4] *Venture concept*

The venture concept consists of the products or services that the firm provides (Bhidé, 2000). It includes breakthrough ideas, unique solutions to a vital problem, or inventions of a product with few substitutes. These ideas and innovations are transformed into a concept that is defined by the activities of the firm. Brush et al. (2010) clearly indicate that women's selection of their appropriate venture concept is based on different priorities to men, but it is this selection that determines the firm's potential growth goals.

[5] *Growth resources and actions*

Firm resources transform ideas into products and services and make them available to customers (Penrose, 1959). The set of resources required to grow the business includes social, organisational, physical and financial resources (Brush et al., 2001). Social resources are crucial for obtaining access to opportunities and other resources, as well as establishing connections with sources of advice and support. Social resources evolve from norms, relationships and social structures and include a firm's contact network, reputation and ability to acquire necessary resources (Aldrich, 1999). Organisational resources include structures, relationships and information. Human resources are central to the continuation of the enterprise and are based on education, industry knowledge, business experience and appropriate training of the firm's workforce. Physical resources include land and natural resources, as well as plant, equipment, raw materials, technology and other physical assets of the business. Financial resources include the monetary assets of the business, which often comprises the owner's personal savings (Bygrave, 1992).

Firm growth is also a function of growth strategies and actions. For instance, training and skill development is considered an effective strategy for improving performance and, therefore, achieving growth. Bartel (1994) and Westhead and Storey (1996) confirm that training improves productivity, which is important for firm growth. In another study, Baum, Locke and Smith (2001) find that firms following differentiation strategies through quality or innovation achieve higher growth. Aghion and Howitt (1990), on the other hand, stress the importance of innovation and process development for improving the firms' competitive position

in the market. However, the firms' competitive ability can also be developed by improving customer orientation (Appiah-Adu and Singh, 1998). Resources can be viewed as a bundle of available assets that can be applied to the productive operations of the firm. In order to understand and explain the growth actions and operations of a particular firm it is essential to identify the nature and extent of its productive opportunities and its ability to make resource decisions. These decisions include actions related to: improving product or service quality; reducing costs; technological advancements; market expansion; and introduction of new products in the market. All such strategies play a significant role in the success of SMEs (Ebben and Johnson, 2005; Leitner and Guldenberg, 2010).

Appreciating the role of firm resources in SMEs, women entrepreneurs use management practices to build such resources and focus more on building social capital within the firm than growth *per se* (Bacon and Hoque, 2005). Consistent with this, Penrose (2009) argues that a firm suffers severe loss of resources when it loses employees at the height of their abilities.

Selecting actions for growth depends on the mode of growth, which might be organic or acquisitive. This research project concentrates only on growth within the firm and excludes acquisitions, mergers, licensing and franchising.

Operationalising the framework

It is difficult to decide which factor(s) should be placed in which internal/external element of the framework. For example, Davidsson (1991) and Chandler and Hanks (1994) view opportunity as an external factor, whereas Davidsson (2004) mentions opportunity as being the same as 'business idea' and views this as an internal factor. Consistent with the literature, recognising a particular factor's impact on growth is more important than classifying it as either internal or external, provided particular allocations are held constant throughout the study. The conceptual framework in this study allows a specific internal or external allocation of factors based on what are considered the priorities from a women's perspective, as identified by the women in this study.

The five elements of the conceptual framework combine (as shown by the arrows in Figure 2.3) to determine the nature and extent of firm growth. The framework consists of both one-way and two-way arrows. One-way arrows demonstrate the unidirectional influences, whereas two-way arrows emphasise bidirectional influences of one factor of growth on the other. This framework is interactive with an iterative nature, such that firm growth acts as a feedback *via* market signals for women entrepreneurs to re-evaluate various aspects of their ventures. They can then relatively quickly address changes in the external environment [3], which can then feedback to individual goals [1] and the internal environment [2].

The conceptual framework recognises that the growth process of an individual women-led firm is a combined result of the multifaceted interplay of all the determinants of growth. Potential growth of the firm is also directly influenced by its sector (manufacturing and service) and country (Bangladesh) context. Competitive and congested sectors limit a firm's ability to grow. The country context explains how the role of women is socially constructed. In Bangladesh, like many other non-western countries, the arena of entrepreneurship is male dominated and gender stereotyping affects the performance of women-owned businesses (Aslanbeigui et al., 2010). These represent potential growth hurdles for women-owned firms that need to be understood when investigating the growth of women-owned firms.

In this study, the conceptual framework of women-owned SME growth is a representation, using Brush et al. (2010) and Penrose (1959), of the reality of growth in SMEs. This framework enables the researcher to identify the complex interplay of elements that, when put together, generate growth within the firm rather than identify the individual sets of actions and processes undertaken by women entrepreneurs when experiencing growth.

2.6 SUMMARY

In this chapter the development of a conceptual framework for understanding the growth process of women-owned SMEs provided the foundation for searching for further insights and potential enhancements to the framework. The conceptual

framework forms the basis of the methodological approach adopted in this study, as well as the collection and analysis of data for the purpose of investigating specific sectors of women-owned growth firms in Bangladesh. It is informed by the findings from the various stages of data analysis, as explained in Chapter 5. This framework allows data to be analysed in order to understand why and how women-owned SMEs successfully grow in Bangladesh. Prior to this, it is essential to set out the context of this study in Dhaka, the capital city of Bangladesh.

3 THE CONTEXT OF WOMEN-OWNED SMES IN BANGLADESH

3.1 INTRODUCTION

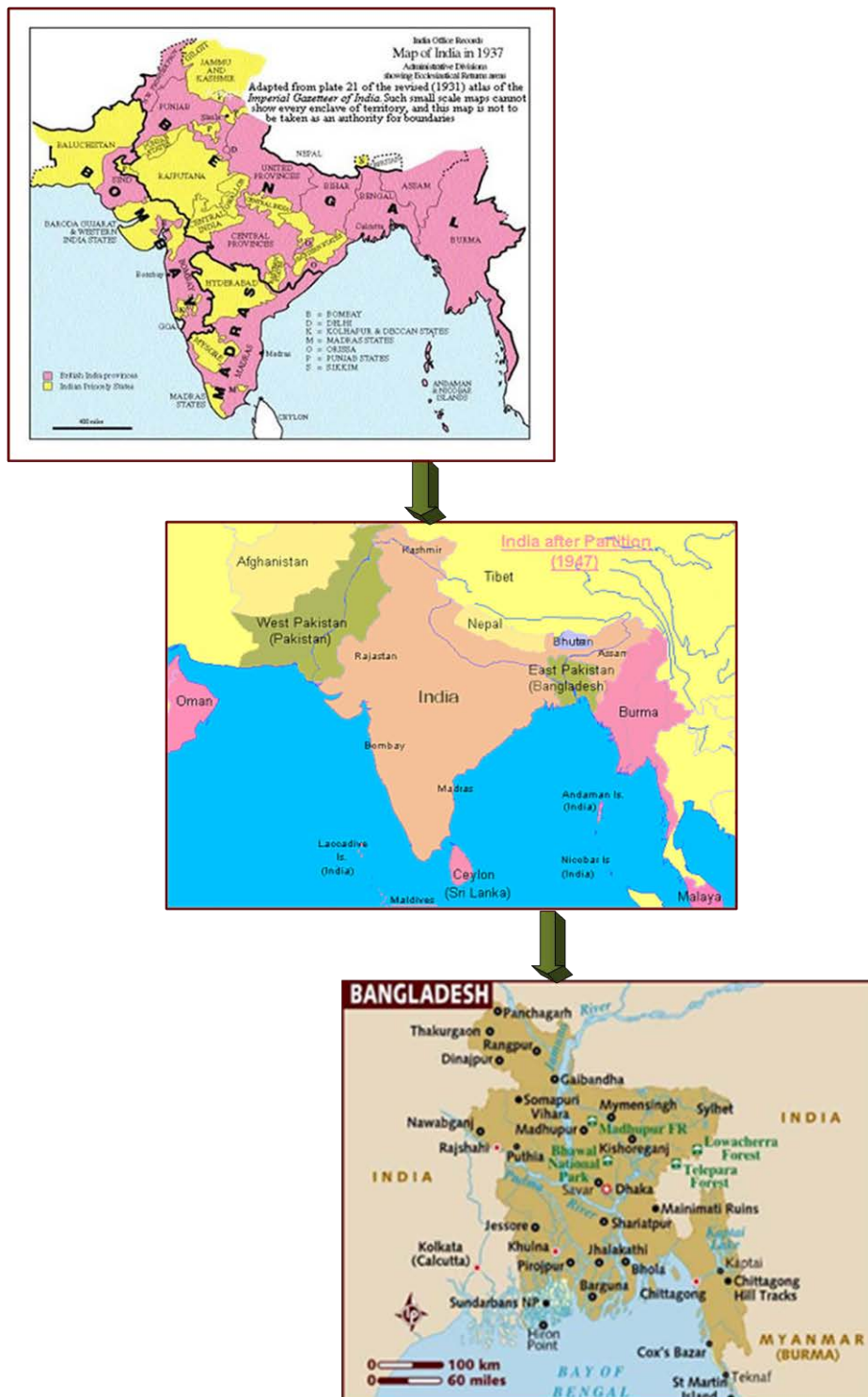
This chapter provides contextual information on Bangladesh. The chapter begins with a brief overview of the history of the country. This is followed by a description of Bangladesh's macro economy, industries and exports. The chapter then sheds light on the role women play in Bangladeshi society and in SMEs. It then ends with a brief conclusion.

3.2 HISTORICAL CONTEXT OF BANGLADESH

Bangladesh is an autonomous country officially known as the People's Republic of Bangladesh. It is located in Southern Asia with a total area of 147,570 sq. km. In 2012, the country had a population of about 161 million (World Bank, 2012). More than 80 per cent of the inhabitants are Muslim and 98 per cent of them speak Bengali. It is a parliamentary democracy which constitutionally requires general election at least once every five years. Bangladesh is bordered by India to the north; west and east, by Myanmar to the southeast and by the Bay of Bengal to the south (see Figure 3.1).

One of the first trading ventures along the Bay of Bengal was the British East India Company. In 1634, the Mughal king provided enormous opportunities to the European merchants and in 1717 totally waived customs duties for the traders (Chaudhuri, 2006). The British East India Company was granted the right to collect revenue by the Mughal in 1764 (Baaquie, 2012). From 1795 the company expanded, and over the next hundred years managed to govern over all of Bengal which included what is now the Indian regions of West Bengal, Bihar, Jharkhand and Orissa as well as Bangladesh.

Figure 3.1 Maps of Bengal (1937), East Pakistan (1947) and Bangladesh (1971)



After the British East India Company, during the British colonial period (1858 - 1947), Dhaka emerged by 1911 to become the capital of the eastern zone of Bengal. When the British Empire pulled out in 1947, the Indian subcontinent was divided along religious lines. Bengal was also separated. The western part with a Hindu

majority joined the newly created India. And the eastern part with a Muslim majority was merged with the new West Pakistan. It was known as a province, called East Bengal, which was later renamed East Pakistan, with its capital at Dhaka. However, East Pakistan was politically, linguistically and economically discriminated against by the dominant West Pakistan which led it to the War of Independence in 1971. Following the war, it broke away from its union with West Pakistan and was renamed 'Bangladesh' which means 'country of Bengal'.

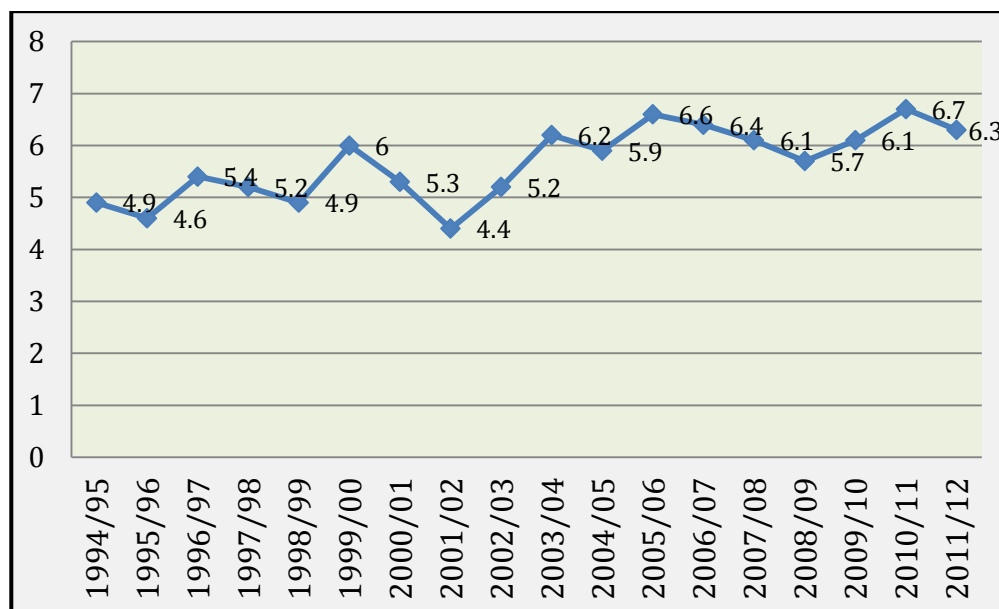
3.3 MACRO ECONOMY OF BANGLADESH

Bangladesh emerged from its War of Independence in 1971 with extreme poverty, overpopulation, and a poor socio-economic infrastructure. The government struggled with a persistent shortage of foreign exchange reserve, inefficient public sector and poor governance. In the next three decades following independence, the government failed to build effective capital market institutions. Institutional reforms could not be carried out due to the shortage of human capital (Ahluwalia and Mahmud, 2004; Devarajan, 2005). In order to overcome the economic disaster, the government introduced industrial reform policies. Major policies were introduced related to: i) privatisation of poorly governed public enterprises; ii) encouraging private enterprises and foreign investors, while progressively discouraging the growth of the public sector; iii) improving the import regime, and introducing investment and export incentives; (iv) improving the efficiency of public sector industrial enterprises through financial restructuring; and (v) improvements in pricing policies (Palit, 2006).

During the first decade after independence GDP growth remained below four per cent. With the effort of government initiatives along with the support of different national and international organisations, the economy of Bangladesh started accelerating from the end of the 1980s (Rahman and Yusuf, 2010). Economic growth has gradually become less volatile over time and in the 1990s it grew moderately. This translated into 5-6 per cent GDP growth per year since 1996. Even during the

devastating floods in 1999 the economy still managed to grow at 4.9 per cent (Bhattacharya and Deb, 2006).

Figure 3.2 Growth in GDP (per cent)

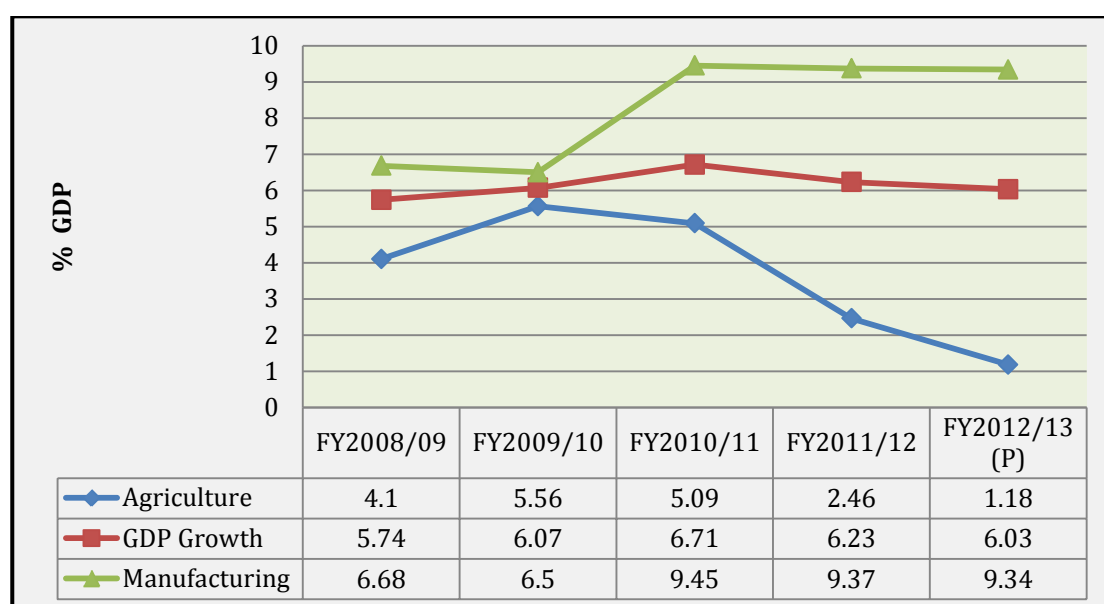


Source: Asian Development Bank (2013)

Despite political instability, unproductive state owned enterprises, poor infrastructure, deficient power supply and delayed implementation of economic reform, Figure 3.2 shows strong recorded growth rates ranging from 4.5 to 6.7 per cent for the period FY1994/95⁴ to FY2011/12. However, Bangladesh failed to meet its GDP growth target of 7.0 per cent set for FY2011/12. GDP growth was 6.3 per cent for FY2011/12, compared with 6.7 per cent growth in FY2010/11 (Asian Development Bank, 2013). Decline in GDP growth in FY2011/12 can be attributed to a decreased contribution from the agriculture sector mainly due to reduced crop production. On the other hand, the contribution of the industry sector, made up of the manufacturing and construction subsectors, increased between FY2009/10 and FY2010/11 then remained at this higher GDP growth rate. The service sector's growth contribution was limited to about 2.9 per cent for the same period.

⁴ Financial Year (FY) in Bangladesh is 1 July to 30 June.

Figure 3.3 Sectoral growth rate of GDP, 2009 - 2013



*P: predicted

Source: Bangladesh Bureau of Statistics (2013)

As can be evidenced in Figure 3.3, there has been a structural transformation in the economy since 2009 with a shift from a predominantly agriculture-based economy towards an industry-based economy. Reduced contribution from the agriculture sector and increased contribution from the industry sector reflects what seems to be a longer-term structural shift in the Bangladeshi economy. The major changes in the sectoral composition of the economy over the last four decades can be seen in detail in Table 3.1.

Table 3.1 Sectoral composition of GDP: Bangladesh

FY	Agriculture	Industry	Service
1975/76	38.2	14.4	47.4
1979/80	33.2	17.1	49.7
1983/84	32.3	18.2	49.5
1987/88	29.3	20.3	50.4
1991/92	28.7	21.6	49.7
1995/96	25.7	24.9	49.5
1999/00	25.6	25.7	48.7
2003/04	23.1	27.7	49.2
2007/08	20.9	29.7	49.5
2011/12	17.7	28.5	53.8

Source: Bangladesh Economic Review (2012)

As can be seen in Table 3.1, the contribution from the agricultural sector to GDP was 38 per cent in early 1970s. However, its growth showed a decreasing trend and share of agriculture in the economy nearly halved by 2012. In its place, contribution from the industry sector increased from 14 per cent in FY1975/76 to 28 per cent in FY2011/12. The service sector, being the largest sector of the economy, steadily accounted for about half of the economy since the 1970s (Asian Development Bank, 2013). The service sector's share remained relatively stable over time, representing about 47 per cent of GDP in the 1970s and remained within the range of 48 to 50 per cent up until FY2007/08. However, the service sector has shown a significantly stronger contribution to economic growth in the period FY2007/08 to FY2011/12.

3.4 INVESTMENT, EXPORTS, INDUSTRIES AND SERVICES

Investment in plant and equipment as well as exports has grown stronger over time. Investment increased steadily relative to GDP which led to increased capital formation in the economy. Investment share of GDP, increased in late 1970s before stagnating during the 1980s. Since the end of the 1980s, investment rose steadily relative to GDP backed by private investment while there was a declining trend in public investment (see Table 3.2). Investment as a share of GDP grew slowly from 25.1 per cent to 26.5 per cent between FY2010/11 and FY2011/12. Government investment in infrastructure including power and transportation pushed up the level of public investment from 5.6 per cent in FY2010/11 to 6.5 per cent in FY2011/12. Total investment for FY2012/13 is predicted to be a slightly higher 26.84 per cent of GDP.

Table 3.2 Gross domestic capital formation (per cent of GDP)

	FY2008/09	FY2009/10	FY2010/11	FY2011/12	FY2012/13 (predicted)
Investment	24.37	24.41	25.15	26.54	26.84
Private	19.67	19.40	19.51	20.04	18.99
Public	4.70	5.01	5.64	6.50	7.85

The contribution of Foreign Direct Investment (FDI) in private sector capital formation significantly increased since FY2005/06. *World Investment Report 2012* ranked Bangladesh 16th among 74 FDI-recipient countries with a record \$1.13 billion FDI inflow (Zhan, 2012). The ready-made garments industry attracted the highest share of FDI, followed by the banking and energy sectors. Rising labour costs in several countries in Asia are opening up prospects for foreign investors to relocate to Bangladesh. The Government has set up several export processing zones to attract foreign investment, which is managed by the Bangladesh Export Processing Zone Authority.

The ratio of exports to GDP stagnated at low levels up to the late 1980s. However, since then the export-to-GDP ratio has improved steadily (see Table 3.3).

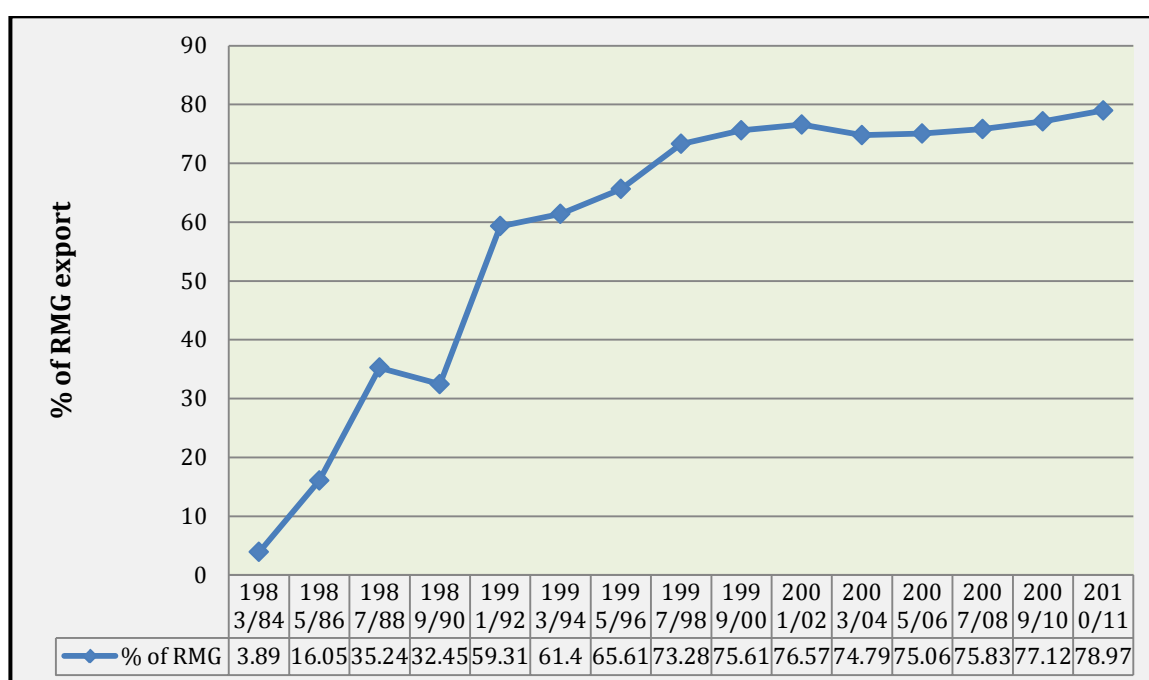
Table 3.3 Exports of Bangladesh (per cent of GDP)

FY	1995/96	1997/98	1999/00	2001/02	2003/04	2005/06	2007/08	2009/10	2011/12
Export	9.8	12.0	12.5	12.6	13.4	16.8	17.8	16.3	21.4

This steady growth in exports is largely linked with the ready-made garments (RMG) industry which is Bangladesh's biggest export earner. More than three quarters of export earnings come from this industry (see Figure 3.4) which began to attract foreign investors during the 1980s due to cheap labour and low production cost.

Bangladesh has been ranked as the 4th largest clothing exporter by the World Trade Organization (Rahman and Yusuf, 2010). The phenomenal growth in the ready-made garment industry through the mid-1980s to the end of the 20th Century created many new factories and employment opportunities. More than 70 per cent of the total investment in the manufacturing sector was invested in this industry during the first half of the 1990s. The share has increased very slowly since 2000 as the proportion of total exports reached nearly 80 per cent. In 2012, this industry accounted for about 4,825 factories. It employed over 50 per cent of the industrial workforce, a workforce of 3.1 million, 80 per cent of which are women (BBS, 2012).

Figure 3.4 Ready-made garments industry as a share of total exports



Source: Bangladesh Board of Investment (2013)

Bilateral agreements with 28 countries and the General System of Preference (GSP) of the European Union (EU) are the main reasons for Bangladesh garment products having gained such a huge access to global markets. In 2012, Bangladesh was considered a significant apparel supplier to North America and Europe (Bangladesh Board of Investment, 2013). Historically, Bangladesh depended largely on imported yarns and fabrics. However, the recent establishment of a backward linkage industry for processing fabrics has, by and large, solved the problem.

The manufacturing sector of Bangladesh, led strongly by the RMG industry, maintained a relatively high level of growth which contributed to a rise in its share of GDP from ten per cent in 1989 to about 19 per cent in 2012. The manufacturing sector experienced a number of challenges from FY2007/08 to FY2011/12. Despite these challenges the manufacturing sector was able to achieve seven to ten per cent growth, which was led particularly by large and medium-sized enterprises (see Table 3.4). Over the same period small-sized enterprises also experienced moderate growth.

Table 3.4 Growth in manufacturing sector (per cent)

Component	FY2007/08	FY2008/09	FY2009/10	FY2010/11	FY2011/12
Share in GDP					
Manufacturing	17.8	17.9	17.9	18.4	19.0
Large and medium-sized	12.6	12.7	12.7	13.2	13.8
Small-sized	5.2	5.2	5.2	5.2	5.2
Share in Manufacturing GDP					
Large and medium-sized	70.8	70.9	70.9	71.7	72.6
Small-sized	29.2	29.1	29.1	28.3	27.4
Growth					
Manufacturing	7.2	6.7	6.5	9.4	9.8
Large and medium-sized	7.3	6.6	6.0	10.9	10.8
Small-sized	7.1	6.9	7.8	5.8	7.2

Source: Bangladesh Economic Review (2012)

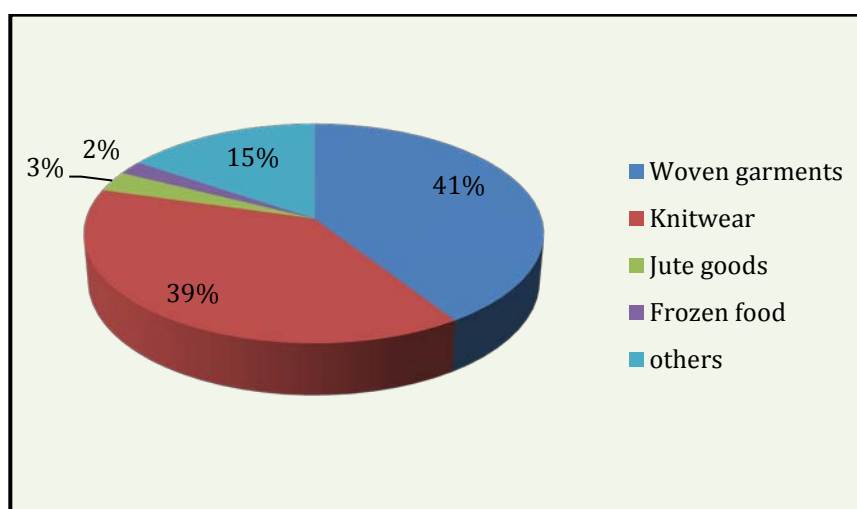
According to the Survey of Manufacturing Industries 2005-06 by the Bangladesh Bureau of Statistics (2006) there were a total of about 35,000 enterprises of which small-sized manufacturing represented about 41 per cent, and medium-to-large scale manufacturing units about 15 per cent. Between FY1997/98 and FY2005/06, the share of small-sized enterprises increased while that of medium-to-large scale enterprises reduced. However, as can be seen in Figure 3.5, this changed. During FY2008/09 to FY2011/12, medium-to-large scale manufacturing enterprises achieved a moderately high level of growth in the exports of jute, cotton, apparels and leather industries. On the other hand, metal products as well as food, beverage and tobacco, mainly driven by growing demand in the local market, attained growth among small-sized manufacturing enterprises.

Growth of the manufacturing sector was adversely affected because of inadequate supplies of gas and electricity. Despite an increased supply of electricity and gas between FY2009/10 and FY2011/12, this sector still faces significant shortages of energy and power. Supply was not able to match the required needs of the growing sector. Moreover, the manufacturing sector was deprived of an adequate supply of gas since a large part of the gas resources were used for electricity generation.

Therefore, gas supply for industrial usages declined from 12 per cent in FY2007/08

to two per cent in FY2011/12. Unless gas supply can be increased for industrial usage, the growth prospects of gas-based industries such as knitwear and textiles will continue to suffer. However, in 2012, initiatives were taken by the government to import 500 million cubic metre of liquefied natural gas to meet domestic demand. A gas transmission pipeline through the 'Gas Transmission and Development Project' in the western and south-western regions was also created (Moazzem, Basak, and Rahman, 2013).

Figure 3.5 Share of total exports by category FY2011/12



Source: Bangladesh Economic Review (2012)

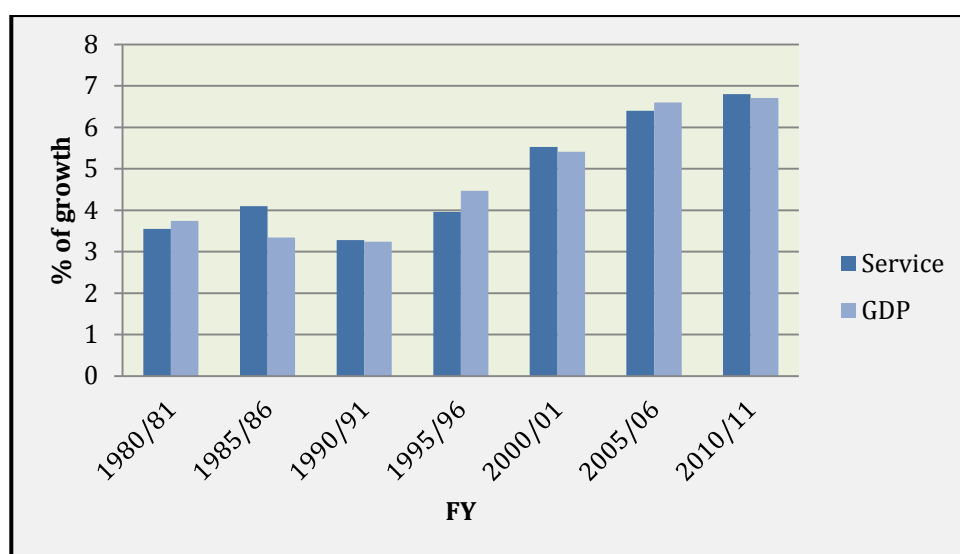
As reported in the Survey of Manufacturing Industries 2005-06 (Bangladesh Bureau of Statistics, 2006), small manufacturing enterprises are almost evenly distributed between urban and rural areas both in terms of number of establishments (52 per cent) and employment (48 per cent). However, in the case of medium manufacturing enterprises, there is a higher incidence of both urban establishments (57 per cent) and employment (58 per cent). The highest concentration of SMEs in terms of both number (46.3 per cent) and employment (46.5 per cent) are observed for Dhaka, followed by the large cities of Rajshahi, Chittagong, Khulna, Barisal and Sylhet. The reason behind this industrial location is the availability of infrastructure facilities.

The government of Bangladesh offers a number of fiscal and financial supports to SMEs. The government has lowered duty on imported machinery. Enterprises

exporting 80 per cent or more qualify for duty free importation of machinery and spares. Value Added Tax (VAT) is not payable on the import of capital machinery. Ninety per cent loans against a letter of credit are allowed. Manufacturing SMEs also get complete VAT exemptions on utilities; including electricity, telephone and insurance services. Initiatives have also been taken by the government for simplifying the process for allotment of industrial plots and areas for establishing industrial units (Moazzem, Basak, and Rahman, 2013).

In Bangladesh, the strength and consistency of the service sector has been a significant driver behind growing GDP. From the early 1980s to 2010, the contribution of service sector constituted a significant share which is almost 50 per cent of the country's GDP (see Table 3.1).

Figure 3.6 Annual average growth rate of service sector



Source: Bangladesh Economic Review (2012)

Figure 3.6 indicates that, between FY1980/81 and FY2010/11, the service sector grew from 3.5 per cent to 6.8 per cent, as against 3.7 per cent to 6.7 per cent growth in overall GDP. Trade, hospitality and tourism, transport and communications, banking and insurance, real estate, education and health are the main industries within the service sector (see Table 3.5).

Table 3.5 Service sector's sub-sectoral share of GDP

	2005/06	06/07	07/08	08/09	09/10	10/11	11/12
Whole sale and retail trade	14.08	14.24	14.37	14.41	14.36	14.33	14.26
Hotel and restaurants	0.69	0.69	0.70	0.71	0.72	0.73	0.74
Transport, storage and communications	10.07	10.18	10.44	10.65	10.79	10.70	10.72
Financial intermediations	1.72	1.76	1.81	1.86	1.95	2.01	2.07
Real estate, renting and other business activities	7.87	7.64	7.49	7.34	7.18	7.00	6.85
Public administration and defence	2.71	2.75	2.76	2.78	2.84	2.92	2.91
Education	2.49	2.54	2.58	2.64	2.71	2.78	2.84
Health and social work	2.27	2.29	2.31	2.34	2.38	2.42	2.45
Community, social and personal services	7.25	7.09	7.01	6.93	6.83	6.71	6.61

Source: Bangladesh Economic Review (2012)

As shown in Table 3.5, among the sub-sectors, wholesale and retail trade experienced the highest growth of 14.41 in FY2008/09 and then marginally fell to 14.26 in FY2011/12. High growth was also experienced in transport, storage and communications from ten per cent in FY2005/06 to 10.72. During the same period, education as well as health and social work had also experienced growth. The World Development Report 2007 (World Bank, 2007) confirmed that, education, health and social work pushed women participation in economic activities forward during this period.

3.5 THE ROLE OF WOMEN IN SOCIETY

In traditional Bangladeshi society women are defined by their reproductive role. Their activities in the socio-cultural setting are primarily domestic in nature. In Bangladesh, gender inequality prevails in the overall structure of society. Women have predominantly been restricted from engagement in public conduct along with various paid employment. The legal status of women, their rights as well as their role in society are shaped largely by the law of the country and its use by members

of society. Despite the fact that Section 27 of the constitution of the People's Republic of Bangladesh reads, "All citizens are equal before law and entitled to equal protection of law", norms of female subordination still remain in the social structure (Islam and Sultana, 2006).

In Bangladesh, women comprise 48.9 per cent of the total population. Eighty six per cent of them live in rural areas (World Economic Forum, 2012). Women in rural areas have inadequate access to the law due to a lack of legal literacy, information and resources as well as lack of awareness of human rights. In rural areas there are often community groups of influential people who tend to set and control normative codes of conduct for the community. These rules result in discrimination against women by putting them in a disadvantageous position (Islam and Sultana, 2006). However in urban areas the influence of these community groups no longer exists.

Subject to the socio-economic background of family, a substantial variety in beliefs, norms and values regarding women's role in family and outside it seems to exist. The increase in higher education and improved awareness among women has changed gender roles (Parvin, Jinrong and Rahman, 2012). In this context, women's economic role and their contribution has increasingly been acknowledged, in addition to their contribution as home-makers (Huq and Moyeen, 2011). A growing number of urban women are involved in various salaried occupations in both public and private sectors. Women's active participation in the mainstream economy also includes their economic contributions as business owners.

3.6 THE ROLE OF WOMEN IN SMEs

In Bangladesh, there are about six million SMEs which represent 90 per cent of the total enterprises of Bangladesh (Daniels, 2003). SMEs are labour intensive and provide more than 80 per cent (31 million) of total employment (Daniels, 2003). Between 2001 and 2005, the growth rate of manufacturing SMEs was about seven to eight per cent. It then shows a steady trend of 9.21 per cent in 2005-06, 10.28 per cent in 2006-07, 10.77 per cent in 2007-08 and 11.19 per cent in 2008-09

(Bangladesh Economic Review, 2010). The expected growth rate of manufacturing SMEs from 2011 to 2015 is 15 per cent. In order to achieve this goal, in 2010 the Government disbursed BDT 10410 million among banks and financial institutions, through the 'Enterprises Growth and Bank Modernization Project'⁵ (Bangladesh Bureau of Statistics, 2010).

Women own 2.83 per cent of all enterprises in Bangladesh, with women entrepreneurs constituting six per cent of the total micro, small and medium enterprises of the country (Daniels, 2003). Across all of Bangladesh, women-owned businesses are mostly found in the production and marketing of agricultural and consumer goods, as well as the provision of services for domestic and international markets (ADB, 2012). More specifically, women entrepreneurs in urban areas are mostly involved in craft manufacturing, fashion apparel making and boutiques, fabric printing, bakery and fast food shops, interior decoration and designing, beautification and health care centres, training centres, and leather goods manufacturing. Such enterprises are based on an emerging group of educated urban-based middle-to-upper class women who have been engaged in small and medium-sized businesses (Zohir and Greene, 2012). As a result, women-owned SMEs operate mostly in ready-made garments, textiles, handicrafts, restaurants, printing and publishing, transport, media, interior design and export-oriented enterprises (Huq and Moyeen, 2011; Huq, 2000). Also Begum (2002) observes that female entrepreneurs in the services sector outperform their counterparts in the manufacturing sector.

Although the Constitution of Bangladesh⁶ guarantees equal rights for men and women, in reality, Bangladeshi society is highly stratified and services are rendered on the basis of class, gender and location; often resulting in disparities in power relations (Al-Hossienie, 2011). In these highly constrained social and economic conditions for women, collateral free micro-credit to poor women has proved to be

⁵ Enterprises Growth and Bank Modernization Project aimed at increasing employment generation through private sector enterprise growth.

⁶ See *The Constitution of the People's Republic of Bangladesh*, at: <http://unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN014593.pdf>.

an important liberating force for rural women, with Professor Muhammad Yunus, and his Grameen Bank⁷ awarded the 2006 Nobel Peace Prize for making this effort successful. The positive impact of the microcredit program on rural female entrepreneurs has been confirmed by a number of studies (Afrin, Islam and Ahmed, 2010; Begum, Uddin, and Ahmed, 2005; Kabeer, 2001). However, the resilience and growth of women-owned SMEs in urban environments of Bangladesh has remained seriously under-researched.

While women's entrepreneurship has become important in various levels of society, both in urban and rural areas (Shamim, 2008), there are still significant differences between urban and rural areas. Women in rural areas are forced (or 'pushed') into entrepreneurship to earn money for their survival (Chowdhury, 2001). As a result, there is very little motivation or appreciation for growing a business in this rural context. This then places these rural women enterprises into the process of poverty reduction and not into the process of economic development. On the other hand, educated urban women entrepreneurs take it as a challenge (or are 'pulled') and take pride in running independent businesses (Chowdhury, 2001). Studies also confirm the difference between the success factors of rural and urban SMEs. Based on Scott's (2001) research, Nawaz's (2009)'s study of rural SMEs of Bangladesh divides the critical success factors for women SMEs under three broad areas; regulative, normative and cognitive factors. Regulative factors include government rules and regulations that facilitate women's entrepreneurship in rural Bangladesh. Normative and cognitive factors include norms and values of the society that lead to a better society. Nawaz (2009) concludes that although the Bangladeshi Government has adopted certain policies to promote women's entrepreneurship they benefit educated urban based women rather than women in rural areas. In similar studies, Chowdhury (2009) and Karim (2004) draw a similar conclusion.

The impact of religious norms and values also carries substantial importance on determining women's roles in rural areas of Bangladesh (Rozario and Samuel, 2010).

⁷ Grameen Bank is owned (95 per cent of the total equity) by the poor borrowers (8.37 million) of the bank who are mostly women (97 per cent). See <http://www.grameen-info.org/>.

However, Hossain, Naser, Zaman and Nuseibeh (2009) conducted a similar study in urban areas which reveals that religion has no negative impact on entrepreneurship development, whereas networking ability, access to capital, knowledge and skills, responsibility towards children are the influential barriers. Despite these barriers, a new women entrepreneurial class has risen and has accepted the challenge of working in a male-dominated and competitive business environment (Chowdhury, 2001). However, no study has been conducted addressing the growth issues of successful women-owned SMEs. Therefore, there is a need for a comprehensive study on women entrepreneurs in Bangladesh, with special focus on their growth aspects.

Institutional assistance aimed at supporting and facilitating women's entrepreneurship in Bangladesh is available in the form of projects and programs. The Women's entrepreneurship Development Project (WEDP) was initiated by Bangladesh Small and Cottage Industries Corporation (BSCIC) in 1982. Women entrepreneurs were provided larger amounts of micro credit without collateral. Pre-investment counselling, assistance in project appraisal and feasibility studies, marketing and technical support as well as training were also provided. The Sonali Bank (state-owned) opened a few specialised branches for women. A project named 'Credit for Urban Women Micro Enterprise Development' offered collateral-free business loans to women entrepreneurs in Dhaka city (Zaman and Islam, 2011). The SME Foundation was established in 2007 by the government for taking care of SMEs. The women's entrepreneurship development wing of the SME Foundation promoted the creation of a favourable business environment for women entrepreneurs through capacity building and bringing them into the mainstream of the development process. It also provided support to women trade associations for achieving competitiveness (Zaman and Islam, 2011). All these support mechanisms recognise the potential that strong growing urban-based women-owned enterprises can contribute to economic development.

The Asian Development Bank (ADB) and the Government of Bangladesh has a loan agreement which has a gender dimension. At least ten per cent of funds have been set aside for women borrowers. Women borrowers are also provided with

assistance for processing their loan applications. Bangladesh Bank (The Central Bank of Bangladesh) reserves ten per cent of its SME fund for women entrepreneurs, at a maximum annual interest rate of ten per cent, in an attempt to enhance more female participation in business. Despite these initiatives to support women entrepreneurs, due to bureaucratic complication of the process, only a few women apply for bank loans in order to establish or grow their businesses (Chowdhury, 2008).

3.7 CONCLUSION

This chapter provides an understanding of the growing economy of Bangladesh and the change in sectoral composition that is reflected in the increased contribution by its manufacturing sector. Initially, the economy was dominated by the agriculture sector with a small manufacturing sector. However, the trend changed and the manufacturing sector grew gradually over time. The role of the established garments industry and the dominance of male entrepreneurs are also acknowledged within the context of economic growth in Bangladesh. This context also illuminates the participation of women entrepreneurs who are not confined within the garments industry. Although the government has passed acts governing assistance to women entrepreneurs, they have to negotiate an economy that is challenged by the nature of underdevelopment. However, the economy has started showing strong growth and women entrepreneurs reflect part of that by contributing as a mechanism to the achievement of economic development. The role of this study on women-owned high growth SMEs (to be examined in case studies in this thesis) becomes very pertinent from this perspective, as set out in the next chapter.

4 RESEARCH APPROACH AND METHODOLOGY

This chapter addresses the research approach and methods used in this study. The chapter begins by explaining the paradigmatic underpinnings of this research. It then continues to describe the research method by identifying, discussing and justifying the sequence of research activities associated with collecting and analysing data within the research design. The chapter concludes with a discussion of the research limitations and ethical considerations of this study.

4.1 INTRODUCTION

Entrepreneurship research has become a dynamic and a relevant issue in management, economics, regional science and other social science disciplines (Wiklund, Davidsson, Audretsch and Karlsson, 2011, p. 1). It is now more theory driven and has coalesced around a central core of themes, issues, methodologies and debates (Wiklund et al., 2011, p. 1). Leitch et al. (2010, p. 252) state that “...entrepreneurship is a multi-faceted, complex social construct enacted in many different contexts by a variety of actors and the production of rich, in-depth knowledge requires the researchers to adopt diverse ontological and epistemological positions”. This study accepts this challenge of addressing the issue of women’s entrepreneurship in order to understand the growth of women-owned firms by focusing on the founders of successful growing SMEs in an urban-based setting.

The broad area of study of women’s entrepreneurship is conducted from a gender perspective. However, both Mirchandani (1999) and Bird and Brush (2002) note that the majority of women studies are not based on a feminist perspective. Instead, they aim to explain how women’s entrepreneurship operates in contradistinction to male entrepreneurship. In order to learn how gender unfolds in entrepreneurship research, Henry, Foss and Ahl (2012) argue for the need to ground the methodology in feminist epistemology. Critiquing the state of women in entrepreneurship is a feminist agenda which occupies a different discipline base and a different methodological perspective. The business-based women’s entrepreneurship studies

like Brush et al. (2009) argue for the need to concentrate more on entrepreneurial process developments rather than personal characteristics of female entrepreneurs within a male-dominated capitalist system. Focusing on process development, this study follows the business-based approach as the research aims to improve our understanding of the women-owned SME growth process, rather than being a critic of the female endeavours in entrepreneurial space.

4.2 RESEARCH PARADIGM

Research activities are governed by a well-defined research methodology based on scientific principles. Such methodologies are considered to be “...systems of explicit rules and procedures” (Eldabi, Irani, Paul and Love, 2002, p. 64), based on various research paradigms against which claims of knowledge are evaluated. A research paradigm is the way in which the researcher examines the social phenomena to gain particular understanding and provide useful explanations (Saunders et al., 2009). Bryman and Bell, (2007, p. 25) have defined a research paradigm in more specific terms: “A research paradigm is a cluster of beliefs and dictates to the researchers what should be studied, how it should be studied and how research should be interpreted.” Therefore, the researcher needs to recognise her philosophical view of the world, as stated by Pansiri (2009, p. 84), “...a choice deeply reflects not only the nature and exigencies of the work to be provided but also the researchers’ view of the social world.”

A review of the different theoretical positions of researchers provides an impression of the philosophical debate which has continued since the 1960s. In business research, the methodological distinction has mostly been between positivist and phenomenological approaches (Collis and Hussey, 2003). A researcher can adopt from among a diverse range of philosophical positions the position that is most appropriate for the research project. However, before a selection takes place, a clear understanding of these diverse approaches is essential, as:

...the research paradigm acts as a set of lenses for the researcher – it allows the researcher to view fieldwork within a particular set of established assumptions, thus

merging the abstract usefulness of the paradigm with the practical application of conducting rigorous research (Burke, 2007, p. 477).

These significant research paradigms of social research can be broadly divided into positivism, realism and interpretivism (or constructivism). Positivism is based on observable facts and beliefs in a specific time and with context-free generalisations. It uses quantitative methods and emphasises deductive logic to explore the objective reality. There are two forms of realism: direct and critical realism. Direct realism relies on experiences to describe reality but critical realism believes reality is a result of social conditioning. Interpretivism adopts an empathetic stance and accepts multiple realities which are socially constructed.

Even though each of these paradigms has its own benefits, each of them has its own limitations as well. Creswell (2012) and Saunders et al. (2009) argue that choosing one particular philosophy can limit the researcher's ability to explore knowledge. Researchers (like Creswell, 2009; Pansiri, 2006; Saunders et al., 2009) argue that a social science researcher should not set a boundary for themselves within one philosophical stance. Rather they should expand their visualisations and devise the research process which addresses their research objective (Newman and Benz, 1998). Therefore, a new intellectual arena was proposed and all these calls have been answered by the distinctive 'Pragmatism' philosophy. The idea that knowledge claims arise out of actions, situations and consequences rather than antecedent conditions remains central to most pragmatists, and is based on direct realism (Creswell, 2003). Pragmatism believes generalisation is contextual but knowledge accumulated from such research can be transferrable into other contexts. Such knowledge building accepts external reality, chooses explanations that best produce desired outcomes and focuses on the practical implications of research. This study adopts pragmatism. The epistemological, ontological and philosophical stance for adopting pragmatism is explained in the following sections.

4.2.1 Epistemology

Epistemological focus of research is on inquiring into what is, or should be, considered as acceptable knowledge in a particular discipline (Bryman and Bell, 2003, p. 13), "...with its possibility, scope and general basis" (Hamlyn, 1995, p. 242) from the researcher's point of view (Saunders et al., 2009, p. 112). It denotes the nature of knowledge and "...the way of understanding and explaining how we know what we know" (Crotty, 1998, p. 3). These are the assumptions about the grounds of knowledge and how it might be understood or communicated to others (Burrell and Morgan, 1994). Burrell and Morgan further argue that epistemology involves assumptions about ideas and how one can sort out what is to be regarded as 'true' from what is to be regarded as 'false'. Guba and Lincoln (1998) state that the epistemological question should be - what is the nature of the relationship between the knower and would-be knower and what can be known. Tashakkori and Teddlie (1998, p. 5), denote the same as they argue that epistemology is "the relationship of the knower to the known". This study takes an epistemological stance of pragmatism which embraces both objective and subjective points of view (Tashakkori and Teddlie, 1998).

4.2.2 Ontology and axiology

Ontology means the nature of reality (Saunders et al., 2009) which requires examination of the assumptions that the researcher has about the way in which the world operates. These are assumptions concerning the very essence of the phenomena (Burrell and Morgan, 1994) or the nature of reality under investigation. Guba and Lincoln (1998) describe ontology as what is the form and nature of reality and therefore, what is there that can be known about it.

This study holds a realist proposition and assumes that the women-owned business firms in Bangladesh exist and business growth is the essence of such firms. The proposition also holds that these women-owned firms deal with people, the environment, government and international regulations which are independent of human minds. From the epistemological stance of pragmatism, this research follows

the ontological assumption of “...accepting the external reality and selecting the explanations that best produce desired outcomes” (Tashakkori and Teddlie, 1998, p. 23) as the researcher believes that, the external world operates independent of our minds, and knowledge claims cannot be totally abstracted from contingent beliefs and interests.

The results from any research study may have multiple explanations. This research takes a “cautiously optimistic pragmatism” (Tashakkori and Teddlie, 1998, p. 29) position for producing explanations which address the research questions from the perspective of understanding how success can be generated or propagated. Accepting that success is important, the axiological position for the researcher would be to stand away from the success and the potential biases it brings and try to understand how these women entrepreneurs work and what motivates them to be successful.

4.2.3 Pragmatism philosophy

This study follows a pragmatic philosophy for approaching the research objective and answering the research questions. Pragmatism has its roots in mid-19th Century American philosophy of reform, but has been adopted as a modern research philosophy quite recently compared to traditional philosophies like positivism and constructivism. Yet, pragmatism has already proved its applicability as a competing paradigm (Tashakkori and Teddlie, 1998).

Pragmatism originated from a discussion group in Cambridge, Massachusetts (USA) in the early 1850s, with Charles Sanders Peirce in 1858 being accredited as its pioneer. William James, John Dewey and George Hebert Mead were the early proponents of pragmatism (Pansiri, 2005). Peirce (1855) finds ‘habit’, ‘belief’ and ‘doubt’ to be the major epistemological issues of pragmatism. According to Yefimov (2003), reality and knowledge depends on habits and beliefs that are created from an institutional background which is critical for this study of gender related entrepreneurship. Women’s entrepreneurship is socially embedded and for holistically studying this issue, pragmatism is important as it encompasses norms,

beliefs and habits. In this context, the Brush et al. (2010) framework considers individual women owners to be embedded within the family context of women entrepreneurs which has a larger impact on women than men in the entrepreneurial process.

Researchers using pragmatism need to consider it as a process and move away from common ways of explaining it as a theoretical (concepts, models) and practical (applications) analysis. Pragmatists believe that knowledge is created from real situations and are concerned about serving researcher's purposes as appropriately as possible (Creswell, 2003).

In this study, data on women's entrepreneurship is collected through secondary sources to get an empirical estimation of the growth of women-owned SMEs. Multiple case studies are performed through qualitative interviews to identify influential factors of growth and to recognise the growth processes of women-owned SMEs across sectors. The research method is set out in the following sections.

4.3 JUSTIFICATION FOR THE RESEARCH METHODOLOGY

Pragmatism believes the creation of knowledge and social reality are based on "...socially constructed actions, situations and consequences by the process of institutionalization⁸, legitimization⁹ and socialization"¹⁰ (Berger and Luckmann, 1967). The researcher is allowed to make inclusion and evaluation of externalities in explaining social constructs, which is appropriate for this particular project as it seeks to explain why and how women-owned SMEs are growing in the context of the developing economy of Bangladesh.

⁸ "Institutionalization occurs whenever there is a reciprocal typification of habitualized actions by types of actors. Put differently, any such typification is an institution." (Berger and Luckmann, 1967, p. 72)

⁹ "The institutional world requires legitimation that is ways by which it can be explained and justified." (Berger and Luckmann, 1967, p. 79)

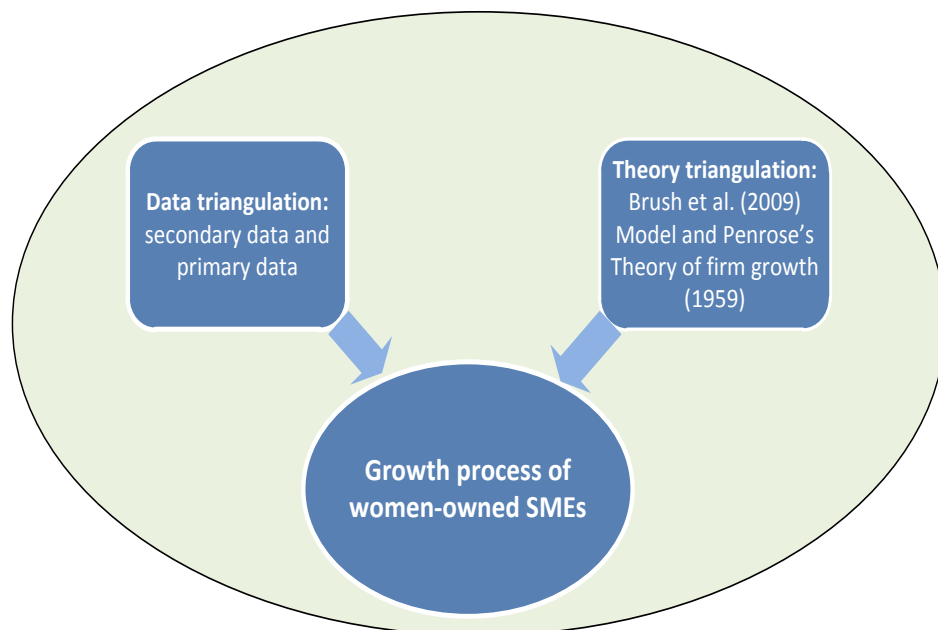
¹⁰ "Socialization may be defined as the comprehensive and consistent induction of an individual into the objective world of a society or a sector of it. It happens when the individual achieves a capacity of the immediate apprehension or interpretation of an object event as expressing meaning." (Berger and Luckmann, 1967, p. 150)

This research is not attempting to analyse the reasons behind women's underperformance in business which is the pathway a feminist would follow. Pragmatism allows the researcher to explain the growth experiences of successful women entrepreneurs rather than critiquing the social and economic barriers faced by them. Moreover, it provides a more holistic and in-depth perspective of the research problems. It justifies the adoption of the pragmatism philosophy as all the variables are not solely quantitative or qualitative in nature and the researcher needs to focus on the research questions.

4.4 RESEARCH METHOD

Research methods refer to the data collection and analysis techniques related to the research questions (Crotty, 2003). Tashakkori and Teddlie (1998) argue for triangulation of methods. Triangulation represents the procedures that a qualitative researcher sets up to ensure accuracy, validity, reliability and replicability of a research program (Stake, 2005).

Figure 4.1 Triangulation of data and theory



Four types of triangulation are mentioned by Tashakkori and Teddlie (1998): *data triangulation* (multiple sources of data), *investigator triangulation* (different

researchers), *theory triangulation* (different perspectives) and *methodological triangulation* (multiple methods). Two of these triangulations are adopted in this study as shown in Figure 4.1. Adoption of multiple sources minimises potential researcher biases and ensures greater reliability composed to a single research approach (Tashakkori and Teddlie, 1998; Yin, 2009).

This study used triangulation of data by collecting it from both secondary sources and conducting in-depth interviews for case studies, which asserts that new light might be shed on the growth aspects of women-owned SMEs through an elaborative analysis of case study data. This data is integrated with the theoretical model, that integrates the Diana framework with Penrose's firm growth approach (see Figure 2.3), adopted for the study.

Figure 4.2 Research design for this study

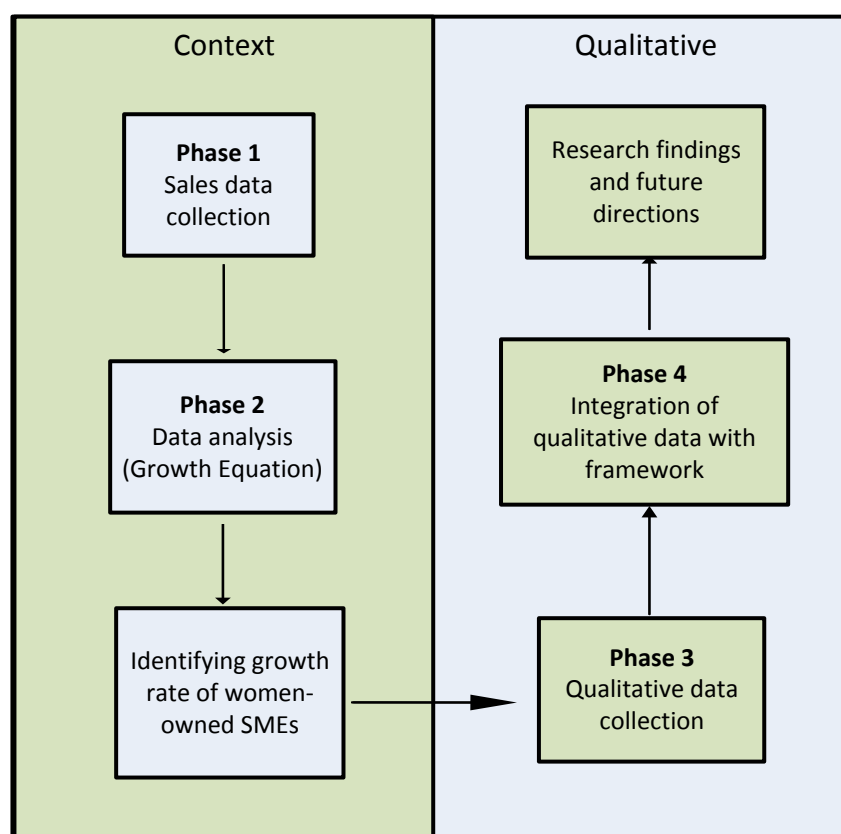


Figure 4.2 sets out the research design of this study. A four-phase research design was adopted for this project. In phase 1, retrospective data on the firm's size was collected. In phase 2 this data was put into the growth equation (set out in section

4.2.2) to obtain the growth rate of women-owned SMEs. The creation of case studies based on interview data and supporting documents was the third phase. In phase 4, qualitative data from each case in Phase 3 has been integrated into the framework adopted to identify growth factors (RQ 1) and explain the growth processes undertaken by high growth women-owned SMEs (RQ 2). Each phase is discussed in detail below.

4.4.1 PHASE 1

Secondary data refers to data that has already been collected and which may have been analysed by someone for some other purpose. Most organisations and government departments collect and store a variety of data which can be a useful source of secondary data. The Small and Medium Enterprise (SME) Foundation, Bangladesh Women Chamber of Commerce and Industry (BWCCI) and the Women Entrepreneur Association of Bangladesh (WEAB) collect data from their members on annual sales. See Appendix A for a list of WEAB members. The population for the qualitative aspect of this study covers only women entrepreneurs who are members of these three agencies. A similar list was obtained from the Small and Medium Enterprise Foundation and BWCCI. These lists allowed access to data on annual sales.

Data on 200 women-owned SMEs from the database of mentioned organisations across manufacturing and service sectors in Dhaka was collected to determine the growth rate of their firms. This data establishes a context for the study and the notion that women-owned SMEs do experience growth.

4.4.2 PHASE 2

As discussed in section 2.2.2, sales growth provides a suitable indicator of firm growth. Thus, for measurement of growth of the women-owned firms in this study, sales growth has been adopted as the indicator. Retrospective data has been collected on the growth indicator.

This study measures the relative growth of 200 firms in the population of these organisations's lists by comparing firm size over a time interval. The formula suggested by Weinzimmer, Nystrom and Freeman (1998) has been applied:

$$g = (S_{tf} - S_{t0}) / S_{t0}$$

Here, ***g*** symbolises the total growth rate, ***St0*** is the firm's size at year one (2008) and ***Stf*** is the firm's size at year three (2010). The difference between year one and year three is divided by the corresponding figures of year one.

4.4.3 PHASE 3

This phase is the case study approach to the project. The case study research approach is a significant form of social science inquiry (Yin, 2011). Eisenhardt (1989, p. 534) defines a case study as "...a research strategy that focuses on understanding the dynamics present within single settings". Robson (2002, p. 178) defines a case study as "...a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence". Thus, though the study of a single real life setting in case studies is traditionally identified with qualitative methods (Gerring, 2007, p. 29), such an approach enjoys a natural advantage in studies of an explanatory and exploratory nature (Saunders et al., 2009, p.146), as this current research project.

Consistent with the case study approach, Yin (2011) states that this method provides a useful technique for addressing either a 'descriptive' question or an 'explanatory' question. It is appropriate when "...how or why questions are being posed, when the investigator has little control over events, when the focus is on a contemporary phenomenon within some real life context" (Yin, 2003, p. 1). These are relevant where 'phenomenon' and 'context' cannot be properly separated. This uniqueness of case study has been defined by Yin (2009, p. 18) as:

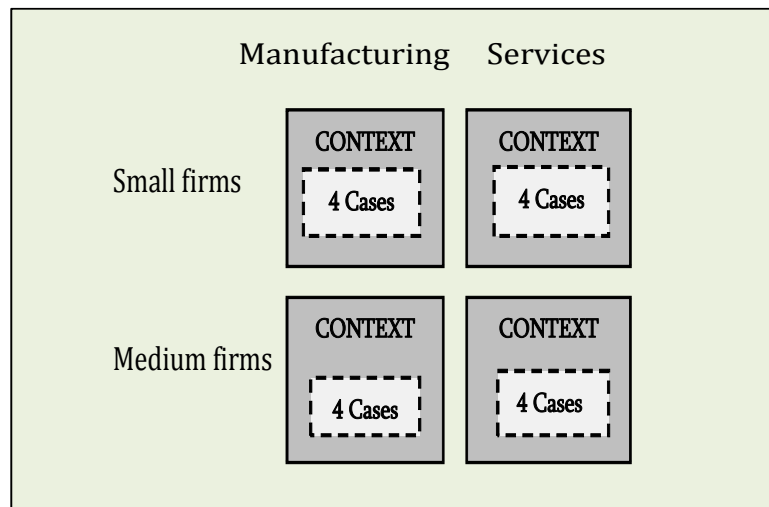
An empirical inquiry about a contemporary phenomenon (e.g., a 'case'), set within its real-world context – especially, when the boundaries between phenomenon and context are not clearly evident.

This definition of a case study is consistent with this research as it seeks to explain why and how women-owned SMEs are growing in the context of a developing economy like Bangladesh. According to Yin (2009), the case study method is specifically useful for analysing the structure of a given industry or a region. This investigation of manufacturing and services industries in the specific region of a South Asian urban area appropriately utilises the case study approach within the context of contemporary events. In this case, the event is firm growth and economic development in one of the most underdeveloped economies of the world.

This study examines the contemporary experience of growth oriented women-owned small and medium firms in identifying growth factors and growth processes involved. A case study may consist of one or many cases (Hammersley and Gomm, 2000). Yin (2003, p. 47) states that a multiple case study design is considered appropriate in two circumstances: (a) the cases have similar results or (b) the cases have contrasting results for specific anticipated reasons. In circumstances when all the cases turn out as predicted, they provide convincing support for the initial propositions. However, when the cases are in some way different, the initial set of propositions is revised. Between these two circumstances, the second is relevant for this study. Initially, a theoretical (conceptual) framework was developed identifying the conditions under which a particular phenomenon could be found. The framework is then utilised as a guide to understand aspects of the case studies to develop new knowledge.

Cases designed in a multiple-case study format can be represented as in Figure 4.3. This design best describes Phase 3 of this research.

Figure 4.3 Multiple-case design for this study



Source: Adapted from Yin (2009, p. 46)

Figure 4.3 shows each firm in this study is subject to individual case analysis and Phase 3 as a whole covers sixteen SMEs, four from each context. For identifying growth oriented women-owned SMEs in Dhaka, the researcher has identified the most successful women entrepreneurs who have been recognised with an award from three organisations in Bangladesh, with each announcing awards annually. The recipients of the 'National SME Women Entrepreneurship Award', 'BWCCI-EBL Progressive Award' and 'Outstanding Women of the Year in Business' for the years 2008, 2009 and 2010 were identified and then classified according to their size (small or medium) and sector (manufacturing or service). Four case analysis were conducted from each context of small, medium, manufacturing and service enterprises as seen in Figure 4.3

4.4.4 PHASE 4

Analysis of the data has been guided by the conceptual framework (Figure 5.1). Themes are categorised from the interview transcripts and supporting documents and compared against the framework proposed. For practical reasons, themes are rearranged to integrate categories according to the framework. Each case study consists of identifying the factors assisting growth and the growth process of the firm. Patterns are identified and matched with the conceptual framework for

recognising the growth factors (RQ 1) and growth processes (RQ 2) of women-owned SMEs.

4.5 JUSTIFICATION FOR THE RESEARCH DESIGN

From the methodological standpoint discussed previously, the annual sales data of all growth oriented women-owned SMEs determines the growth rate of women-owned firms and also establishes a context for the study. The research questions demand further insight into growth issues in terms of identification of growth factors and explanations of the growth processes. Hence, in relation to the qualitative research, in-depth semi-structure interviews were conducted in the SME sector. Both the firm sales data collection and the interviews were conducted at a concurrent time in Bangladesh at the end of year 2011 and beginning of 2012. Through combining the advantages of qualitative methods with a quantitative estimation of women-owned growing SMEs, this study offers: (a) a more comprehensive understanding from in-depth investigation; (b) greater validity of data and (c) greater diversity of views and values. This approach to research design is consistent with Creswell (2009) and Tashakkori and Teddlie (1998).

The following sections set out in detail the case study method adopted. It first expands upon the various data collection methods and identifies both primary and secondary data collection and storage activities. Finally, this section will conclude with an overview of the data analysis techniques which enabled the study to pull together insights from all data sources.

4.6 IMPLEMENTING THE CASE STUDY METHOD

As recommended by Yin (2003), the research was conducted in three main stages which were as follows: preparation stage, data collection stage and data analysis stage. Each of the stages included a sequence of research activities for addressing the research objectives of this study. As suggested by Steane (2004), the preparation

stage started with a review of the literature which provided a foundation for the research and its method.

This study applied a combination of inductive and deductive approaches. The research approach was inductive to the extent that the research framework proposed by Brush et al. (2010) was modified with Penrose's Theory of Growth (1959) to evaluate the factors influencing the growth of women-owned businesses. This enables the incorporation of the effects of managerial and entrepreneurial abilities on growth and identifies how firms achieve growth. However, beyond this initial induction, the approach was deductive in that themes were categorised and compared against the framework proposed. Patterns were identified and matched with the theoretical framework for recognising the growth factors and growth processes.

The use of multiple cases enabled the researcher to confirm that the findings from the cases were *idiosyncratic*, as suggested by Eisenhardt and Graebner (2007, p. 27). It also allowed the researcher to view each case as an individual experiment and then compare with other cases to confirm whether it can be consistently replicated by several cases. Moreover, multiple cases enabled broader exploration of research questions and theoretical elaboration (Eisenhardt and Graebner, 2007).

4.6.1 Preliminary data collection and storage

A systematic procedure was needed to ensure the appropriate collation, storage and retrieval of both physical and electronic data. For this, first, similar documents with the same features were grouped into sets. These sets were designed to represent the type of documents contained within them, which included an interview set, a contact details set and a published documents set containing the data on growth firms. Processes of data searching and analysis were facilitated by this grouping of documents into sets.

A code number was allocated to each document to simplify the process of accessing the data. The published documents set was coded PD1-PD16. The interview

transcripts were coded by their size and industry (MM, SM, MS, SS) in a physical file. The same codes also represent the electronic storage of transcripts.

4.6.2 Secondary data analysis

Secondary data was analysed (in Chapter 5) particularly for determining the growth rate of women-owned SMEs as well as providing a contextual base for the study. Annual sales data was transcribed and analysed into Microsoft Excel. This data confirmed the notion that women-owned SMEs can experience growth in the context of developing economies like Bangladesh.

4.6.3 Selection of cases

The process of selecting cases occurred in two phases. In the first phase, a group of appropriate potential cases was identified as suggested by Stake (2005, p. 22), "... the selection process regularly begins with cases already at least partially identified". And the actual cases were selected in the second phase.

Identifying appropriate cases

Most importantly, the cases were required to provide an opportunity to study the phenomenon appropriately. As suggested by Creswell (1998), understanding the critical phenomena depends on choosing the cases well. This study on growth oriented firms, focused on the process of growth in women-owned small and medium sized manufacturing or service firms. These terms provided the parameters of selecting appropriate cases for this research.

Firstly, the cases were required to be appropriate for investigating the process of growth. The process of growth was identified as those actions and activities related to encouraging a firm's sales growth. The growth process was required to result in actual sales growth for the individual small or medium firm. Therefore, to identify growth oriented firms, this study selected firms with at least ten per cent increase in sales over a period of three years (2008-10).

Secondly, in identifying the unit of analysis¹¹ for this project, it is essential to provide a definition of SMEs in the context of Bangladesh. This study follows the Government of Bangladesh's revised definition of SMEs in the circular for the Bank of Bangladesh (circular of 26 May 2008) as shown in Table 4.1.

Table 4.1 Definition of small and medium enterprises (SMEs) in Bangladesh

Type	Manufacturing sector	Services sector
Small enterprises	Value of resources other than land and factory buildings is between 0.05 million and 15 million (BDT) and or number of workers is maximum 50.	Value of resources other than land and factory buildings is between 0.05 million and 5 million (BDT) and or number of workers is maximum 25.
Medium enterprises	Value of resources other than land and factory buildings is between 15 million and 200 million (BDT) and or number of workers is maximum 150.	Value of resources other than land and factory buildings is between 5 million and 100 million (BDT) and or number of workers is maximum 50.

Source: The Government of Bangladesh (2008)

The study follows Davidsson et al. (2005, p. 3) who state that the prototypical growth firm is one that experiences relatively stable growth in sales over a considerable time and where this growth in sales is, at least to some extent, accompanied by an accumulation of employees and assets; so that organisational and managerial complexity increases with growth. The unit of analysis for this study is a firm in Dhaka which is small or medium in size, owned and run by women and growth oriented as defined earlier. Selection of cases with at least ten per cent growth in sales over a period of three years allows this study to encapsulate the process of growth more accurately.

These broad selection criteria provide the guidelines for selection of cases for this research. A list of potential cases was made from the award recipients of 2008, 2009 and 2010 most successful women entrepreneurs. In the next phase, specific numbers of actual cases was selected from potential cases.

¹¹ Unit of analysis is a tool used by researcher in scrutinising his/ her data log, and this unit may be meanings, practices, encounters, narrative structures, organisations or lifestyles (Liamputtong and Ezzy cited in Pansiri, 2006, p. 237).

Selection of actual cases

An important reason for conducting multiple case studies is to examine how the phenomenon performs in different environments as proposed by Stake (2005). The aim of this study was to identify how growth is achieved in different size firms in various industry contexts. To achieve this, a total of sixteen cases were selected, as shown in Table 4.2. For exploring the growth experiences of urban-based women-owned SMEs, this study examined the SMEs in Dhaka as Dhaka is the capital city and major urban centre of Bangladesh.

Table 4.2 Selection of actual cases

No.	Type of firm	Products	Employee	Sales in 2010 (AUD million)
1	Printing	Calenders, notebooks, diaries, books, booklets, brochures	120	3.6
2	Garments	Shirts, polo shirts, rompers, tracksuits, jeans	147	2.87
3	Leather	Leather clothing, footwear, wallets, home décor items	110	1.15
4	Decorative glass	Stained, coloured, etched glass	124	2.6
5	Metal	Garden accessories, bakery utilities, umbrellas, candle stands	45	0.39
6	Fibreglass	Shower trays, corner trays, waste bins, bathtubs, bonsai containers	35	0.32
7	Clothing	Traditional apparel, accessories, gift items	48	0.5
8	Handicraft	Traditional outfits, footwear, ornaments, decorative items	50	0.5
9	Beauty and health	Spa, make up, haircut, styling, treatment	400	2.02
10	Event management	Landscaping, pot plants, roof gardening	50	1.75
11	Advertising agency	Audio visual, printing advertisements	50	1.6
12	Restaurant	Thai, Mexican, Indian, Bangladeshi food	50	1.31
13	Telecommunication equipment	Supply and installation of tower equipment; maintenance, testing of tower equipment	25	2.05
14	Architectural consultancy	Interiors, landscaping, master planning, graphic designing	20	1.5
15	Education institution	Fashion designing, interior designing	17	0.32
16	Transport	Airport shuttle bus service	20	0.8

For identifying growth oriented women-owned SMEs in Dhaka, the study was based on the most successful women entrepreneurs who have been rewarded with an award from recognised authorities in Bangladesh. The recipients of 'National SME Women Entrepreneurship Award', 'BWCCI-EBL Progressive Award' and 'Outstanding Women of the Year in Business' of 2008, 2009 and 2010 were identified and then classified according to their size (small or medium) and sector (manufacturing or service).

A list of potential cases was made from women award recipients in small manufacturing and service firms as well as medium manufacturing and service firms in 2008, 2009 and 2010. Firm owners of all potential cases were approached. Finally, four cases of small sized manufacturing, four medium sized manufacturing, four small sized service and four medium sized service firms were selected. To avoid including the non-growth oriented firms, these sixteen cases of women-owned growth oriented firms were purposively selected to provide a holistic understanding of a number of growth factors and growth actions and activities of the firms across all four types of SMEs.

4.6.4 Data collection methods and instruments

Sixteen case studies were developed through the analysis of compiled sets of case data. The sets of case data included components such as audio recording of personal interviews, transcripts of interviews, contact details, researcher's personal diary, newspaper articles and the company's website information. These data provided the input for the development of case descriptions.

Notes were taken in the researcher's personal diary immediately after the interviews were undertaken. The purpose of these notes was to record the immediate experiences and thoughts of the researcher. Contact details sheets were made before the interviews that included the name, address and telephone number of the firm and owner. Actual dates, times and duration of interviews were added to this after the interviews were conducted. Both of these sources containing the

researcher's personal notes and interviewees contact details were used as a short summary of each case during the case writing and data analysis stage.

4.6.5 Conducting interviews

Data for each case study was collected through semi-structured interviews. Semi-structured interviews are used to gather data, which are normally analysed qualitatively, for example as part of a case study strategy (Saunders et al., 2009 p. 321). All the interviews were conducted on a one-to-one basis between the researcher and the respondent in face-to-face meetings.

For the purpose of establishing direct contact with the entrepreneurs from the sample frame, each of them was personally approached several times by the researcher. When contact could not be made, the potential interviewee was removed from the list. Once a contact was made, a brief overview of the project was demonstrated by the researcher. The potential respondents were then invited to participate in the research. In cases of refusal to participate, the respondent was passed over. An interview date, time and location were then agreed upon, in cases of acceptance to participate.

Interview structure

A semi-structured or 'non-standardised' (Saunders et al., 2009 p. 320) questionnaire was designed by the researcher. The questions were prepared in a way that can address the research questions and objectives of this study. A list of identified-themes was prepared to cover specific topics. On the basis of those themes most of the interview questions were left open-ended. Only a few of them were close-ended. A common set of questions were asked of all the interviewees and a few additional questions were asked to specific respondents when required. This approach was necessary to explore the research questions and objectives, which is consistent with that proposed by Saunders et al. (2009). Reliability of data was ensured by consistency of questions across the cases. The interview questionnaire is attached as Appendix B.

Interview setting

The interviews were conducted with the women entrepreneurs identified as the individuals who are mainly responsible for carrying out the growth actions. All the interviews were performed at the business place of the firms. On arrival at the selected firm, notes on firm appearance, working environment, interactions of the owner with employees were taken by the researcher.

All interviews were conducted in a private and quite setting. At first, the researcher introduced herself to the respondent. A brief overview of the project was described, necessity of audio-recording the interview was explained and then permission for audio-recording was sought by the researcher. A plain language statement was explained and then the respondent was asked to read and sign an informed consent form.

The interviews started by asking the respondent about the start-up of the firm; including date, location, capital and employee. Then, the conversation was directed from start-up to growth, as guided by the semi-structured questionnaire. Beside audio-recording the interviews, brief notes were also taken by the researcher. The respondent was thanked at the end of the interview with an assurance of receiving a copy of the results only if she required.

Interview schedule

The interviews were conducted from 22 November 2011 to 9 January 2012. The longest interview was two hours and fourteen minutes. The shortest interview went for forty eight minutes.

Each interview audio tape was transcribed into a word document by the researcher. By listening to the recording and incorporating the brief notes from the interviews, thematic issues were highlighted and noted, which also helped the researcher to understand and interpret the interview data. All transcripts were completed within six months of the interviews. Upon the completion of data transcription, each transcript together with contact details was provided with a unique code. For

confidentiality purposes, no real names of the participants, or their firms, have been disclosed. For easy understanding, transcripts of same size firms from the same industry are identified with identical letters (for example, medium-sized manufacturing firms are prefaced by the letters *MM*) and then numbered subsequently (1, 2, 3 and 4) in the order in which they were interviewed.

The details of the firms, dates of interviews and duration of interviews are summarised in Table 4.3.

Table 4.3 Interview details

Type of firm	Firm	Date of Interviews	Length of time	Documentary data collected
Medium manufacturing firm 1	MM1	22.11.2011	2.14	Annual reports, newspaper articles
Medium manufacturing firm 2	MM2	25.11.2011	1.54	Annual reports, newspaper articles
Medium manufacturing firm 3	MM3	26.11.2011 27.11.2011	0.48, 1.32	Annual reports, newspaper articles
Medium manufacturing firm 4	MM4	30.11.2011	1.52	Annual reports, newspaper articles
Small manufacturing firm 1	SM1	02.12.2011	1.48	Annual reports, newspaper articles
Small manufacturing firm 2	SM2	03.12.2011	1.55	Annual reports, newspaper articles
Small manufacturing firm 3	SM3	05.12.2011	1.50	Annual reports, newspaper articles
Small manufacturing firm 4	SM4	08.12.2011	1.53	Annual reports, newspaper articles
Medium service firm 1	MS1	12.12.2011	2.07	Annual reports, newspaper articles
Medium service firm 2	MS2	12.12.2011 14.12.2011	2.11, 1.45	Annual reports, newspaper articles
Medium service firm 3	MS3	15.12.2011	1.54	Annual reports, newspaper articles
Medium service firm 4	MS4	18.12.2011	1.50	Annual reports, newspaper articles
Small service firm 1	SS1	03.01.2012	1.40	Annual reports, newspaper articles
Small service firm 2	SS2	05.01.2012	1.43	Annual reports, newspaper articles
Small service firm 3	SS3	08.01.2012	1.41	Newspaper articles
Small service firm 4	SS4	09.01.2012	1.46	Newspaper articles

Other sources of data

Along with interview data, other sources of data were also accessed to complement and support the interviews in order to build each case study. A case study database was created containing both physical and electronic elements. Documents for each case were stored in separate files which included annual financial reports, internal management reports, existing secondary data analysis, organisation website printouts, newspaper articles and advertisements, government publications and reports and emails from the interviewees. All these documents were also stored electronically in PDF file format. These sources are set out after each case in a form that ensures the firm and the owner remain de-identified.

4.6.6 Conducting within case analysis

When the data collection processes, including transcription of interview data, were complete, the next step in the research process was analysis of the data, which started with a within case analysis. In fact, some data analysis took place during the phase of data collection; for instance, the researcher's personal notes with immediate thoughts and reactions. However, the within case analysis and cross case analysis followed the collection of case data. The within case analysis of data consisted of a number of activities as follows:

Case reports

A case report for each case was prepared. With data combined from the interview transcripts, organisational documents, company websites and media publications, a growth story for each SME was demonstrated. The case reports were presented in a format that was informed and organised around the key constructs within the conceptual framework. For better understanding and clarifying a specific argument, quotations from the interviewees were appropriately used. These case summaries were utilised as the basis for the findings reported in Chapter 6 and the discussion in Chapter 7 of this dissertation. A complete detailed individual report of each of the sixteen SME case summaries is included as Appendix E at the end of this dissertation.

Refinement of framework construct

Several stages of refinement were involved during the phase of within case analysis. Initially, the data was coded related to the framework construct. This construct provided a classification system for the analysis which facilitated the cross case analysis as well. Coding provided a way of identifying, retrieving and organising the data. Examples of these included 'individual capabilities', 'growth aspirations', 'opportunity recognition', 'entrepreneurial abilities', 'growth resources', 'growth actions'. In this stage, data sorted by the codes was analysed further to generate more specific codes for creating dimensions for each construct. For example, data sorted under 'growth resources' was further sorted into headings of 'social resources', 'organisational resources', 'financial resources' and 'physical resources'. This process of refinement of the framework constructs continued until further refinement added no significant value to the research. Besides analysing data according to the pre-determined and refined construct of the conceptual framework, the study maintained openness towards new themes which occurred. New themes were also coded appropriately.

4.6.7 Conducting cross case analysis

The case analysis of each case summary was related to specific framework components in a table to simplify cross case analysis. Results from within case analysis were written in a comprehensive manner. The comprehensive case write-ups and the data tables were appended to the case summaries included in the Appendix E.

The cross case analysis was conducted following the within case analysis, for the purpose of identifying the similarities and differences in the themes and patterns of data across the cases. The cross case analysis occurred mainly in two phases. Firstly, retrieving, organising and combining the data. Secondly, it was used to analyse the data and for identifying and comparing patterns with their underlying logic. These patterns and their underlying logic provided the basis for recognising the growth

processes of women-owned SMEs in Bangladesh. Although the stages of cross case analysis are explained in sequence, in reality it was iterative.

Retrieving, organising and combining data

Data from the cases was retrieved, arranged and combined according to the initial coding system. This setting of data included the codes initially identified from the conceptual framework, together with the new codes which emerged during the within case analysis. During the process of retrieving, organising and combining coded data, existing codes of data were also refined according to the dimensions of the framework construct. New codes were also developed to capture significant aspects of the data that emerged as a consequence of cross case comparisons.

Matching themes and patterns

For the purpose of identifying themes and patterns, the coded data was compared case by case. These themes and patterns represented between case similarities and differences. Pattern matching between the cases emerged in several ways – by comparing actual data against the expectations arising from the framework, and by comparing data relating to new themes not included in the framework. Also important was identifying components of the framework in which one firm has succeeded exceptionally and it was considered important to understand why. The consequential cross case patterns were presented in a number of summary construct data tables which provided the basis for developing the findings of the research and the subsequent growth process of women-owned SMEs. For example, combining data about the types of financial resources highlighted the importance of personal and family savings. Likewise, combining data about pull factors in the external environment revealed the significance of opportunity recognition in the market. The complete data tables are included, with a table for each individual case appearing within each respective report, in Appendix E.

4.7 LIMITATIONS OF THE RESEARCH METHOD

The research design should be methodologically suitable to offer valid information on the basis of which interpretation of data can be made (Curran and Blackburn, 2001). Although this chapter has summarised the research approach and methods which meet these criteria, a number of limitations related mainly to the research method should be recognised.

Firstly, the urban-based primary data collection will indicate the experiences of growth of SMEs in urban areas of Bangladesh, specifically Dhaka. This study covers only urban-based women-owned small and medium enterprises in the manufacturing and services sectors. Therefore, this study cannot represent the experiences of growth SMEs in rural locations of Bangladesh. SMEs in sectors other than manufacturing and service and micro enterprises, where different contextual issues may change the growth experiences, are also not within the scope of this study.

Secondly, there is potential for sample selection bias. The sample was selected based on their success, and growth factors can falsely be attributed to success. This potential problem is recognised and addressed as the study determines the growth processes, explaining 'how' growth is achieved instead of just identifying the growth factors from a sample of successful firms only.

Thirdly, the limitation with case selection is recognised. The cases were selected from member lists of the SME Foundation, BWCCI and WEAB which do not represent the population of women SME owners of Dhaka but instead aims to find non-representative outliers who have succeeded in growth. However, some growing firms may not be members of the above mentioned associations, which limits success only to firms with connection to these associations.

Fourthly, a potential limitation of the research method relates to the retrospective nature of interview data, which may create information bias caused by the problems of poor recall or inaccurate articulation (Belal, 2004). Moreover, the interviewee's

opinions have the potential to be biased and influenced by the perception of the interviewer. Although it is difficult to avoid these limitations, some precautions were taken to minimise these risks. For instance, developing the interview guideline and following protocols of sensitive interview method in all interview sessions are considered to reduce the risk of bias. Moreover, this issue was also addressed by using multiple sources of data (organisational documents such as annual financial reports, internal management reports, existing secondary data analysis, organisation website and published news from media).

4.8 ETHICAL CONSIDERATIONS

This research was carried out in accordance with the principles of the National Statement on Ethical Conduct of Research (2007), with an ethics approval (see Appendix B) from the Human Research Ethics Committee of the University of Ballarat. There was no previous relationship between the researcher and the participants. The subjects of this research were not provided with any incentives to participate in this study. They were at liberty to withdraw from the research at any time.

A plain language statement describing the nature and purpose of this study was provided to all SME owners interviewed. Formal consent from each participant was obtained before the interviews were conducted. During collection, storage and access of the personal data of research participants, the researcher maintained the privacy and confidentiality of all participants by keeping their demographic information separate from the interview transcripts. Participants' anonymity was maintained by using codes without names and other identifiers. The hard copy data and the identifiers were kept in separate locked cabinets. Softcopy data was kept in password protected files on the researcher's computer.

A voice recorder was used during fieldwork. The data was downloaded onto the desktop computer after each interview. The data was transcribed into a MS Word document after all the interviews were conducted. The voice recordings were

deleted from the recorder, once successful storage was ensured. Both forms of data were kept secure.

All data will be disposed of according to the university rules. In compliance with the University of Ballarat requirements, data will be kept for five years from the research publication. At the end of this period, data will be securely destroyed by an accredited data destruction service.

During the course of this research, significant findings were presented to various annual University of Ballarat Research Conferences and other professional conferences and peer groups. There are no perceived risks, legal, economical, emotional, physical or otherwise to the community, businesses, government organisations, business support organisations or any other participant in this study.

4.9 CONCLUSIONS

This chapter has elaborated the methodological approach (including the philosophical assumptions and research method) adopted by the study. It started by recognising the pragmatism philosophy that underpins this research and then progressed by illustrating the nexus between this paradigm and the case study method applied in this study. Depending on the needs of the research questions, a qualitative research method was adopted. It then continued by interpreting the course of implementing the research methodology. Using the methodology explained in this chapter, data was collected and analysed. The following two chapters will present the findings of this research.

5 RESULTS

5.1 INTRODUCTION

This chapter details the results from the qualitative data collected, with a growth rate estimate of the women-owned SMEs as the context for the case studies examined. This chapter is divided into eight sections. The first section provides a brief introduction to the chapter. The second section reports on the growth measurement of women-owned SMEs. The following four sections identify patterns across each of the four classes of firms based on the size and sector of the firms; starting with medium-sized manufacturing, then small-sized manufacturing, followed by medium-sized service and, finally, small-sized service firms. Each section commences with a brief history of the four firms in that class, followed by their business growth and common patterns (and includes a summary table of analytical findings relating to key factors and activities assisting the growth of the firms in each of the four classes). The penultimate section provides an overall perspective of the results across all sixteen firms combining the patterns across the four class sub-sections. A summary section ends this chapter.

5.2 GROWTH RATE OF WOMEN-OWNED SMEs

This research uses historical data on women-owned manufacturing and services SMEs in Dhaka, Bangladesh to explore their growth rates. It uses change in sales as the indicator of growth. Studies measuring organisational growth have been criticised for measuring change in size by a single dimension, rather than using multiple dimensions (Weinzimmer, Nystrom and Freeman, 1998). However, in order to draw an overall picture of growth in urban-based women-owned SMEs across industries this study endorses Davidsson et al.'s (2005) call for measuring sales growth.

A database was prepared with retrospective data on annual sales, originating from three associations of women-based organisations. The data set comprises all

commercially active women-owned businesses in the manufacturing and services sector in Dhaka for the period 2008 – 2010. However, in order to have a sound basis for computing growth rates, businesses that dissolved during the period were excluded regardless of their previous size, sector and growth.

Business growth rates are calculated using the formula specified in Chapter 4 (section 4.4.2). This formula measures growth rates (or relative changes in size). The relative growth of 200 firms is examined by comparing the size of each firm between 2008 and 2010. ***St0*** represents firm size at 2008 by annual sales in thousand BDT. ***Stf*** symbolises the firm's annual sales at 2010 in thousand BDT. ***g*** represents growth as measured as the difference between ***St0*** and ***Stf*** divided by ***St0*** (see Appendix C for the growth calculations). The results show that, women-owned manufacturing SMEs exhibited 3.09 per cent growth whereas services SMEs experienced a growth of 3.05 per cent. Overall, women-owned SMEs in Dhaka achieved 3.07 per cent growth between 2008 and 2010.

The result of 3.07 per cent growth between 2008 and 2010 shows an overall growth in women-owned SMEs in both sectors in the study and puts this study into a context which confirms women-owned SMEs as a growing sector. However, in order to get an understanding of the real drivers of growth; SMEs which have made significant strides are analysed in the following four sections.

5.3 FOUR MEDIUM-SIZED MANUFACTURING FIRMS STUDIES

A short narrative on each medium-sized firm is presented in this section in order to gain a perspective on each high growth women-owned firm in the manufacturing sector.

5.3.1 HISTORY OF THE FIRMS

Case 1: Set up in 1982, MM1 is a printing press company conveniently located in the centre of Dhaka city. The firm aimed to be the primary printing operator in Bangladesh, providing the best quality services to customers, value to shareholders,

and a dynamic working environment for employees. It also aimed at being the first printing company to go into the international printing industry from Bangladesh.

The firm started with a reconditioned Japanese offset printing machine operated by the owner, RMM1 herself. Gradually, she was able to reduce the cost of production, reduce the price of the product and increase sales. MM1 started receiving an increased number of work orders and was able to build a strong customer base. Over the years, MM1 became recognised as an important supplier in the market. By 2011, it operated as one of the few women-owned medium sized manufacturing firms in Bangladesh.

The firm went through two growth phases. The early growth phase was from 1986 to 1993. Before that, from 1982 to 1985, MM1 tended to generate low revenue. The printing orders were not large unless RMM1 was given the regular printing jobs of one of her husband's friends, who was the owner of a large company. The actual growth started from 1986. RMM1, the owner, established a strong position in the local market before approaching the international market.

A planned approach was taken by the owner to the growth of MM1. Business relationships with important clients were strengthened and a good market position was established with a strong customer base. Three new machines were added and twenty people were employed by 1988. There was steady growth from 1988 to 1993 and the annual sales were doubled. The firm's growth slowed during 1994 to 1997.

The second phase of growth was from 1998 onwards. Planned information gathering was an important part of this phase of growth. The firm recruited a creative group of artists who ensured higher quality printing and achieved the second phase of growth. New machinery highly capable of amazing quality printing was also added to compliment the innovative designs of the firm's creative artists. With improved performance, the second growth phase of MM1 gained momentum when it started printing for foreign consumers in 2004. Initially products were sent to Italy and in 2005 MM1 started exporting to the UK. By 2007 the annual sales

increased to 3.5 million, a significant share (43per cent) of which was from exports. In 2011, MM1 was trading with three companies in the UK and two in Italy. It functioned with eight printing machines, 80 permanent employees, including six technicians, four electricians and three engineers; as well as 20 part-time non-permanent workers.

Case 2: MM2 was formed during the early 1980s as an export-oriented garments manufacturing firm. During this period licences were issued by the Bangladesh government for the duty-free importation of machineries to produce and export garments. Taking advantage of the support provided by the government, MM2 moved in and soon expanded and became a ready-made garments producer. Its production facility and corporate office are located at Savar, northwest of Dhaka. It has two buildings, designed to comply with the requirements for responsible manufacturing, as per foreign buyers' requirements. For example, the manufacturing unit is equipped with an independent quality control cell; Computer Aided Design (CAD) is used for pattern making and a R&D cell is formed to improve work methods, efficiency and productivity.

MM2 has had an uneven pattern of growth over its twenty seven years of operation. In 1986, MM2 started garments manufacturing on a cut-and-make (CM) basis for its US based buying agent. Initially the export volume was very small. The first export consignment of MM2 took place in 1986-87 with the export of men's shirts worth AUD0.01 million. The US, Canada and the European countries imposed Multi Fibre Agreement (MFA) quotas on Bangladesh's garments industry and as a result, export growth slowed down during the period 1985-90. Despite the small export volume in the initial years, MM2 grew slowly and its exports increased from AUD0.13 million in 1990 to AUD0.7 million in 1995. Due to low skilled workers, the production quality was very basic. Subsequently, the owner, RMM2, arranged comprehensive overseas training for the workers and managers for skill development. As a result of this move towards quality, the firm entered into a sustained period of growth supported by training and skills development.

New product designs were introduced. With trained workers and developed skills, MM2 successfully gained a professional standard of operations and by 1999 exports had reached AUD0.98 million. However, the growth rate of exports declined in the 2000-01 period mainly due to the global recession in 2000 and the 9/11 incidents in the US in the following year. Local sourcing of raw materials created less reliance on imported materials, which meant the firm's costs were reduced. From 2001, MM2 started manufacturing with 40per cent local fabrics. With shorter lead-times and less expensive materials MM2 was able to earn AUD1.18 million. The roles of commission agents were made redundant and direct sales relationships were established with foreign buyers, after which MM2 experienced steady growth. From 2005 to 2008 exports grew from AUD2.02 million to AUD2.59 million. As at 2011 the firm was an employer of 147 workers, among them 70per cent are female. MM2 is considered one of the most successful women-owned medium-sized manufacturing firms in the country.

Case 3: In 2003, MM3 emerged as one of the very few leather products manufacturing ventures created and owned by a women leather technologist. It was established in Hazaribagh, which is an old tannery district of Dhaka, Bangladesh. MM3 manufactures a wide range of leather goods, blending traditional craftsmanship with modern technology. Products of MM3 include fashionable leather clothing, foot-wear, wallets and home décor items.

Initially MM3 started supplying notebook covers for local commercial banks. By the end of 2004, the annual sales were AUD0.02 million. MM3 grew slowly during 2005 with annual sales of AUD0.15 million. Since 2006 it has had strong growth. From 2006 it started producing corporate gift items for various ready-made garment manufacturers and annual sales grew to AUD0.4 million by 2007. An additional manufacturing and retail outlet was also in operation from 2007 and the total number of workers was increased to 70. From 2007 it also set up a modern tannery facility with an annual output of 1500 square feet of leather. The tannery was setup to ensure a constant regular supply of cheap raw materials throughout the year. MM3's sales occur at two small retail outlets within two manufacturing facilities. However, about 80per cent of the retail sales are still from sales at International

Trade Fair stalls. Another form of MM3's sales involves direct sales to organisations who order in large bulk, specially manufactured items with logos.

Sales of large bulk orders from organisations involving logos and other specific requirements have been a strong part of the firm's sales and constitutes around 50 per cent of total sales of MM3. In 2008, MM3 received a large work order supplying Bangladesh's most renowned multinational tobacco company. Due to this significant addition to MM3's clientele, annual sales worth AUD.069 million were achieved in 2009 and the number of workers increased from 70 to 90. In 2010-11, annual sales were AUD0.98 million with an increase of workers to a total of 110. As at 2011, production capacity per month was 500 jackets, 6,000 wallets or bags, and 600 items of footwear. With the innovative combination of materials, RMM3 was successful in differentiating MM3's product from rest of the market, which provided the first phase of MM3's growth. Growth was also achieved through the annual product promotion of MM3 at International Trade Fairs.

Case 4: MM4 is a decorative and architectural art glass manufacturing company based on owner RMM4's ambitions and creative skills in this form of art. It was setup as a small enterprise in 1998 at Eskaton, in the heart of Dhaka with two workers in a small 400 square feet studio. It produces various types of decorative glass such as stained glass overlay, traditional stained glass, coloured glass and etched glass.

MM4 initially started producing simple forms of architectural glass. In 1998, MM4 completed the first interior decoration of a residential house. Annual sales for that year were worth AUD0.10 million. To widen the product range from simple to sophisticated designing, in 2000 MM4 moved into a 2,200 square feet studio with a retail sales showroom at Gulshan, which is an affluent neighbourhood and a commercial-cum-residential area of Dhaka. The larger manufacturing and retail outlet yielded around AUD0.30 million in 2000.

In order to achieve a higher level of growth, in 2002 an agreement was signed with a California based international franchise company. This was very important for MM4

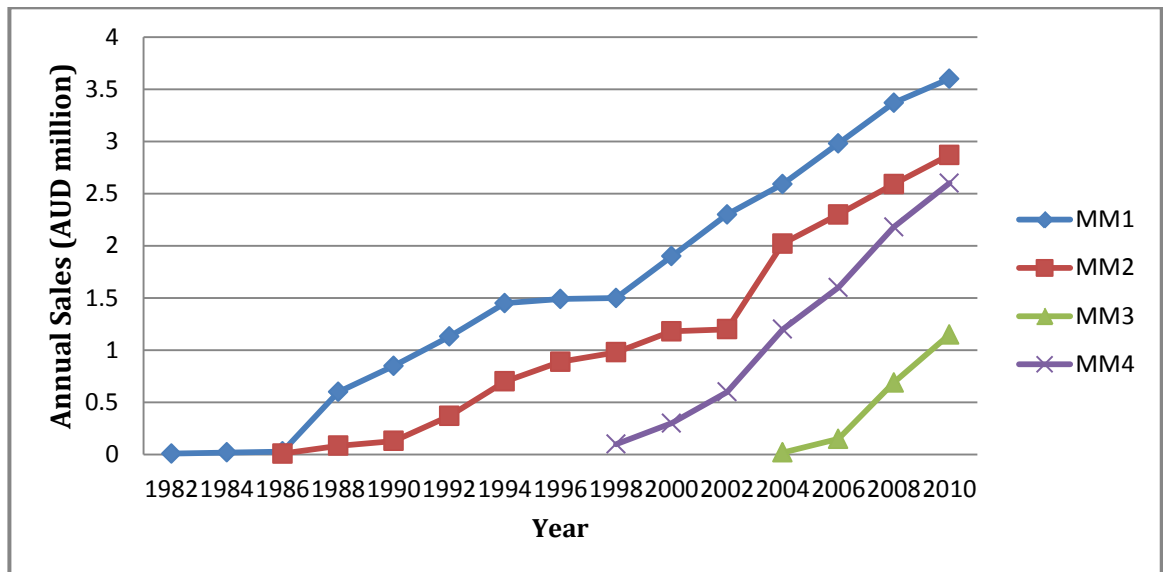
to expand further into a full service studio specialising in a wide array of designer glass products. Due to this arrangement, there has been an inflection where the rate of sales growth has increased significantly and that has been maintained ever since. Between 2002 and 2004, annual sales increased from around AUD0.60 million to AUD1.20 million. Massive demand in the local market led MM4 to open a second showroom. In 2005, a second showroom was opened in the country's second largest city Chittagong and the annual sales figure for that year was around AUD1.60 million. MM4 started franchising wood-iron composite products in 2008, which increased the sales up to AUD2.18 million. During 2009-10 annual sales were around AUD2.60 million.

In MM4, strict safety measures are taken and superior technical disciplines and craftsmanship are emphasised for producing art glass. Using techniques ranging from traditional to advanced products are custom designed with creativity, imagination and sensitivity. At present MM4 has become a full service decorative glass manufacturer supplying to residential, commercial and religious establishments. It has 124 employees, of whom 35per cent are women. With two grand showrooms in the country's two largest cities, MM4 is now considered Bangladesh's leading crafted art glass designer, producer, and supplier and holds nearly a 40 per cent share of the total market.

5.3.2 GROWTH OF THE FIRMS

The growth patterns of MM1, MM2, MM3 and MM4 are illustrated in Figure 5.1. It represents the trends of business growth for these four MMs in the data sets including annual sales of the firms over a period of time. The horizontal (X) axis represents the years of business operation and the vertical (Y) axis represents the annual sales of the firm in Australian Dollar (AUD) million amounts.

Figure 5.1 Growth of four medium-sized manufacturing firms



Source: Appendix E - Case Reports

Figure 5.1 illustrates that these medium-sized manufacturing firms have grown over a long period of time. Unlike the other three MMs, MM1 has grown over the longest period of time starting in 1982 and experienced two separate phases of growth since its inception. MM1's growth of sales increased until 1996 and there was no growth between 1996 and 1998. The growth pattern in the figure above displays MM1's second phase of growth from 1998 onwards. MM2 exhibits an uneven pattern of growth over its 27 years of operation. For the first few years until 1990 growth was low. It had medium growth until 2000 when it flattened out for two years. Between 2002 and 2004, there was the strongest growth and MM2 has maintained a strong growth since.

The growth lines of MM1, 2, 3 and 4 depict great diversity in their starting points. Among these four firms, MM3 started last and exhibited the shortest period of annual sales growth from 2004 to 2010. However, from 2006 it has shown a more consistent growth rate compared to the other three firms. MM4's annual sales grew strongly from 2002 to 2010 with only mild fluctuations in its growth path. Although, all four have diversity in starting points and growth rates, there are some commonalities among them. Three of the firms (MM1, 2 and 4) had a matching period of steady growth in annual sales since 2000. MM3 was not in operation until 2004. All four MMs have shown fairly similar strong growth paths since 2006,

despite the fact that three of them have been in existence for quite a while. All four MMs have grown strongly since 2006 and three have been well established firms. Showing strong growth in recent times they have been able to generate this growth in the context of the low economic growth of Bangladesh.

5.3.3 COMMON PATTERNS ACROSS MEDIUM-SIZED MANUFACTURING FIRMS

In briefly discussing the common patterns among these medium-sized manufacturing cases, it is important to notice that each of these four women-owned firms have achieved substantial sales growth (either domestically or internationally) and two of them (MM1 and 4) were the first-movers of their industry. The common patterns of MM1, 2, 3 and 4 based on the framework of analysis as summarised in Table 5.1, with italics in the summary below indicating important aspects of the various framework elements. The influence of growth factors to each firm was categorised as very low, low, moderate, high and very high. *Very low* denotes no support for business growth with all negative influences, *Low* represents a minimum level of support for growth with a lot of negative influences, *Moderate* means equal amounts of positives and negatives for business growth, *High* signifies a strong level of support with only a few negative influences and *Very High* represents a maximum level of support for firm growth without any negative influences.

For the business growth of these women-owned medium-sized manufacturing firms, the importance of the owner's individual *capabilities* and growth *aspirations* appears to be similar. As well as have strong educational backgrounds, all four owners were highly *motivated* to develop their businesses. RMM3 and RMM4 were also *trained* in the specific production process and had artistic skills in leather and glass, respectively. Three of the owners had strong *family support* in the form of spouse and in-law cooperation. This excludes RMM3, the owner of MM3, who was not supported by her family and had to leave her parents' house while starting the business.

Table 5.1 Framework elements to business growth of four medium-sized manufacturing firms

Cases Framework element	MM1	MM2	MM3	MM4
<i>Individual Factors</i>				
Capabilities	****	****	*****	*****
Growth aspirations	*****	*****	*****	*****
Family support	*****	*****	*	*****
<i>Internal Firm Environment</i>				
Entrepreneurial ability	*****	*****	*****	*****
Managerial ability	*	*	*	*****
Technical ability	*****	*	*****	*****
<i>External Environment</i>				
Product market	*****	*****	*****	*****
Opportunities	*****	*****	*****	*****
Government support	**	*****	**	**
<i>Growth Resources</i>				
Financial	****	*****	***	*****
Social	***	*****	***	*****
Human	***	***	*****	***
<i>Growth Actions</i>				
Product quality improvement	*****	*****	*****	*****
Cost reduction	*****	*****	*****	*****
Technological development	*****	****	*****	*****

KEY: * denotes *very low*, ** *low*, *** *moderate*, **** *high* and ***** *very high* level of input into the growth processes.

The internal environment element from Penrose played a significant role. Prosperous growth operations of these firms were the result of their owners' *entrepreneurial* abilities. All of them were successful in identifying opportunities in the market. The growth of the firms increased the complexity of decision making and difficulties associated with managing growth. RMM4 was the only owner with *managerial* abilities which she gathered from working in a handicraft organisation as a manager. In all the other firms (MM1, 2 and 3), in an effort to address these difficulties, skilled and experienced management staff were recruited. *Technical* abilities are common among three of the owners (MM1, 3 and 4), either learnt from family businesses or from professional training. This also showed that they all came from the upper-class of Bangladeshi society, which although providing strong

financial and cultural backing to firm growth, was also a challenge for these women to enter successful male domains of power.

Crucially, from an external environment perspective, all of the businesses were pulled into the market by *opportunities* created from existing product *demand*, using this to leverage incremental innovation through their skill and creativity.

Opportunity identification attracted entry into male-dominated businesses. For MM1, after a decade of independence from Pakistan, there was a need to retain the nation's authenticity. Consequently, there was a demand for publishing as well as printing more in the local language. MM1 took on this opportunity for a number of years following its inception. Another action by MM1 to enhance growth was proactive scanning of the international market to identify opportunities, which opened the door to cater to a larger market. For MM2, a change in global apparel production location created the opportunity to step into the garments industry. MM2's low cost labour force and simple technology production supported further expansion. For MM3, a large domestic market for leather products and lack of qualified designers in the leather industry acted as an opportunity for MM3 to grow. For MM4, the lack of local producers in the art glass industry created an *opportunity* and provided a strong base for the growth of MM4.

Government support was another important factor in the external environment. The policy level support provided by the *government* facilitated the growth of MM2. As part of the government's Ready-made Garments (RMG) promotion policy, a meeting was organised for garments manufacturers, foreign buyers and agents. At this meeting RMM2 was introduced to overseas apparel buyers and agents. RMM2 received the first work order and started manufacturing for its US based buying agent. However, none of the remaining firms (MM1, 3 and 4) received any industry-specific support from the government. These industries were not seen as government priority industries. However there were some small government support programs for these firms.

Firm growth resources came from owners' personal savings and family resources, which formed an important source of *financial* resources for the growth of all four

MMs. Influential positions held by the owners' families also played a significant role in establishing *social* networks and achieving business growth. Both RMM2 and RMM4 had this advantage compared to the other two women. *Human* resources in the form of well trained, experienced and low cost workers and managers also created a positive influence towards the growth of all these firms. MM3 hired skilled and experienced workers from the market who did not require further training. However, overseas training occurred at extra cost for MM1, 2 and 4. Despite these human resource variations, all of the firms were able to achieve similar results.

Growth actions of these businesses seem to differ depending on their industry context. Overseas training for the workers and managers was important for *improving product quality*. The owners of MM1, 2 and 4 arranged regular overseas training, whereas MM3 arranged local training for skill development. *Cost reduction* by local sourcing of raw materials significantly influenced the growth of MM2, 3 and 4; whereas RMM1 used a low-cost machine instead of an expensive machine for MM1 without affecting quality and productivity. The importance of *technological advancement* was also significant for the growth of all four MMs. Within the firm, MM2 implemented advanced technological systems that linked orders and inventory to streamline the order processing, production and stock keeping capabilities. Technological change had an impact on the productive capacity of MM1's machine operators. Newer machines significantly outperformed older technologies and complimented the creative team of artists that was formed by RMM1. A unique combination of materials provided a different form of product for MM3. MM4 went under an international franchise agreement for achieving a higher technology level of production. Equipment was upgraded and a new management style was implemented to meet the franchise agreement.

5.3.4 CONCLUSION

From these four medium-sized manufacturing firm cases, it is evident that, women's entry into entrepreneurship and their business growth appears to be a combination of women's growth aspirations, family support, entrepreneurial abilities and market opportunities.

5.4 FOUR SMALL-SIZED MANUFACTURING FIRMS STUDIES

A brief description on each case is presented for an understanding of each successful woman-owned small-sized firm in the manufacturing sector.

5.4.1 HISTORY OF THE FIRMS

Case 1: SM1 is an export oriented craft manufacturer of metals, tin and glass materials at Uttara, Dhaka. It was formed in 2004, as one of the first recycled-metal producers of the country. The idea of creating decorative products out of waste items was unique and SM1 was well-known for its innovative and cost effective way of transforming waste items into exportable products which were much appreciated in the international market. Uniquely attractive products produced by SM1 include metal garden accessories, bakery utilities, shoeboxes, umbrellas, candle stands, vases, jugs, glasses, and bowls. Initially the transformation process of recycled-metal was limited to simple forms of production which was carried out by four workers with two machines in a small metal factory.

In 2006, the first export shipment of SM1 worth AUD0.058 million was made to Sweden and Norway. Gradually, RSM1 and the workers made progress as SM1 moved into much more complicated forms of production. SM1 grew slowly and its export earnings increased by AUD0.11 million in 2007. The same year, RSM1 attended an International Trade Fair at Frankfurt in Germany. SM1's low cost recycled metal and glass products caught buyers' attention and the firm secured some regular orders from Germany and Denmark. Due to these sales orders, in 2008, there was an increase in sales to AUD0.23 million. Since 2009 it has experienced steady strong growth. Growing demand in the international market led SM1 to add a product line of recycled-glass products. With improved skills and experienced workers, SM1 created a strong technological base and differentiated its products from rest of the market. From 2009 to 2010, annual sales increased from AUD0.31 million to AUD0.39 million. SM1 recently started supplying to the local market, although the bulk of the products are manufactured for export. This fast growing craft manufacturer employed a total of 45 people in 2011.

Case 2: SM2 is a manufacturing firm in Dakshin Khan, Dhaka that uses fibreglass to cater mainly for the domestic demands of sanitary ware traders. In 2006 it started manufacturing fibreglass bathroom fittings of shower trays and corner trays, later expanding their production to large waste bins, bathtubs and as a by-product, bonsai containers. New residential, as well as commercial buildings are being constructed in increasing number to accommodate the growing population of Dhaka city. Therefore, the scope for utilising fibreglass composite fittings and fixtures is also growing. Bangladesh in 2011 was still importing various products made of fibreglass mainly from China and South Korea. In this context, SM2 emerged as a developing and growth oriented venture through the modernism and innovativeness of its owner RSM2. She was appreciated for introducing the local production of fibreglass materials.

Since its beginning in 2006, SM2 grew into a leading fibreglass product manufacturer in Bangladesh. Initially SM2 supplied fibreglass made bathroom fittings to the sanitary ware traders. By the end of the first year, SM2 earned AUD0.03 million. Since then it has experienced steady growth. The annual sales figure in 2007 was AUD0.07 million. The increased number of residential as well as commercial constructions in Dhaka city required a low-cost local provider. Due to this increased demand in the market, annual sales grew and SM2 earned AUD0.16 in 2008. In 2009, SM2 was contracted as the supplier to one of the most renowned construction companies of the country. Due to this addition in SM2's clientele, annual sales were AUD0.2 million in 2009. As staff and physical space requirements grew, SM2 moved into a larger space in 2010. Increased production capacity yielded AUD0.32 million sales in 2011.

As at 2011, production output of SM2 was 200 bathtubs and 350 other items a month. RSM2 plans to manufacture fishing boats and waterbuses from fibreglass as the country is crisscrossed by hundreds of rivers and there is a potential for fibreglass to replace traditional wood-made boats. As at 2011 the firm employed 35 workers.

Case 3: SM3 is a domestic-based themed fashion clothing manufacturer. It started in 2002 at Dhanmondi, Dhaka. More recently it specialises in traditional and authentic apparel and accessories. It also produces uniquely designed ornaments for women and themed gift items such as pens, key rings, photo frames, and mugs. Variety of designs and quality of products were highly emphasised, which was strictly maintained by producing only two copies of a particular design. This enabled the products to be differentiated not only from market but also from SM3's own products.

Based on the creativity of the owner RSM3, who was a qualified designer, SM3 initially was involved with the production and sales of outfits only. In 2002 annual sales were AUD0.023 million. At the early stages of its development the product range was limited and yielded AUD0.087 million in 2004. Within a short time it became very popular among the consumers for its tailor-made products and in 2005, to satisfy the increasing demand, SM3 opened a second showroom. Craftsmen were hired and trained specially for jewellery making. During 2008 the number of workers increased from seven to 24 and sales were worth AUD0.31 million. Traditional silver, steel and clay-made accessories and jewellery were added to the product line and a third showroom was opened in 2008. Output and sales increased steadily over the years and reached AUD0.42 in 2009. The total number of workers was increased to 50 and annual sales were AUD0.5 million in 2010. Running a team of nearly 50 people in the factory and showrooms, over the ten years since inception, SM3 has become one of the leading fashion houses of the country.

Case 4: SM4 is a boutique manufacturer launched in 2005 with a vision to popularize Bangladesh's traditional art and crafts amongst the fashion conscious in the country. SM4 produces outfits for men and women, kids wear, leather accessories, footwear, ornaments and home decorating items. From the beginning, SM4 created its products from its own designs and materials, where hand woven materials were natural-dyed and block-printed to create uniqueness. Reflecting the ideas of the owner (RSM4) production started in a small factory. SM4 started producing an experimental collection of fashion wear for men and women. At the

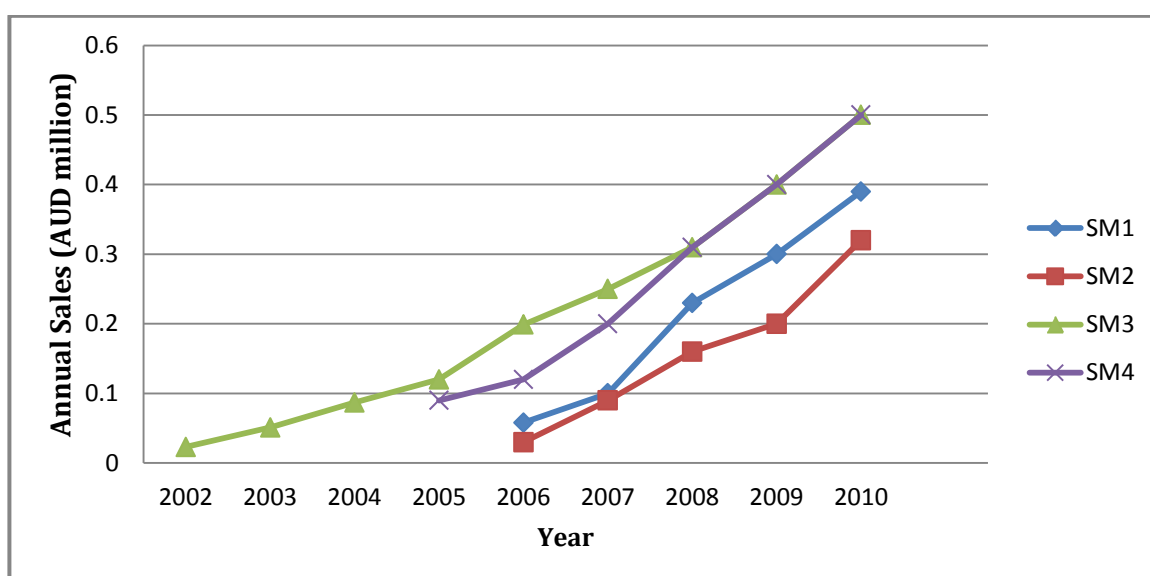
early stage of its development, annual sales were AUD0.09 million in 2005. Growth was slow during 2006 with AUD0.12 million annual sales.

SM4 was successful in playing an important part in the revival of traditional Bangladeshi textile and crafts. Exceptionally creative outfits were successful in attracting consumer attention in the market. New products were added to the product line and annual sales grew to AUD0.22 million. Another sales showroom was also added by the end of 2008. In 2008, ornaments, footwear and decorative items were also added to the product line. The total number of workers was increased to 40 and annual sales were AUD0.31 million. As at 2011, SM4 operated one production facility and two showrooms in the capital city, Dhaka. Running a team of 45 workers, SM4 has been operating with a monthly production output of 1000 outfits, 200 items of footwear, 200 items of jewellery and home decorating items.

5.4.2 GROWTH OF THE FIRMS

Figure 5.2 portrays the growth patterns of SM1, SM2, SM3 and SM4 in the line chart that displays the sales growth of these four SMs over a period of time.

Figure 5.2 Growth of four small-sized manufacturing firms



Source: Appendix E - Case Reports

Figure 5.2 illustrates that these small-sized manufacturing firms have grown over a short period of time. It shows similar starting points for three of the businesses (SM1, 2 and 4). Growth rates of SM1 fluctuated through the period of 2006 to 2009. Since its inception, SM2 exhibited a consistent growth until 2008 and subsequent one year growth rate declined in 2009. The growth line of SM2 portrays subsequent recovery with high growth from 2009 onwards compared to the other SMs. Among these four firms, SM3 grew over the longest period of time, from 2002, and experienced stable growth in annual sales throughout.

5.4.3 COMMON PATTERNS ACROSS SMALL-SIZED MANUFACTURING FIRMS

For the purpose of elaborating the common patterns among these four small-sized manufacturing cases, it is observed that significant sales and employee growth were achieved by these four women-owned firms, either through local or foreign markets. The common patterns of SM1, SM2, SM3 and SM4 are outlined in Table 5.2, with italics in the summary below indicating important aspects of the various framework elements.

The growth of SM1, 2, 3 and 4 have been due to a combination of the owner's individual internal as well as external factors. Individual factors of the four owners played an important role for the growth of these four firms. In three cases (SM1, 3 and 4) individual *capabilities* included a strong educational background. Every one of them was highly *motivated* towards the growth of their business. All had strong *family support* for creating and developing their business and one of them (RSM1) also had a family background of doing business.

From the internal environment, the owners' *entrepreneurial* capabilities and their influences on the successful business operations were important for the growth of their firms. Each of the owners was capable of identifying unseen prospects and act upon opportunities. Two of them (RSM1 and RSM4) had *managerial* abilities as they previously had worked in managerial positions. All four owners had professional training in specific production processes which built strong *technical* capabilities for

their firms. Three of them (RSM1, 3 and 4) graduated in Fine Arts with early career experience in craft making and graphic designing.

Table 5.2 Framework elements to business growth of four small-sized manufacturing firms

Cases	SM1	SM2	SM3	SM4
Framework element				
<i>Individual Factors</i>				
Capabilities	*****	***	*****	*****
Growth aspirations	*****	*****	*****	*****
Family support	*****	*****	*****	*****
<i>Internal Firm Environment</i>				
Entrepreneurial ability	****	*****	****	*****
Managerial ability	****	***	**	****
Technical ability	*****	*****	*****	*****
<i>External Environment</i>				
Product market	*****	*****	****	****
Opportunities	*****	*****	*****	*****
Government support	**	**	**	**
<i>Growth Resources</i>				
Financial	*****	****	*****	****
Physical	*****	*****	*****	*****
Human	*****	***	*****	***
<i>Growth Actions</i>				
Product quality improvement	*****	*****	*****	*****
Cost reduction	*****	****	****	****
Technological development	*****	****	****	****

KEY: * denotes *very low*, ** *low*, *** *moderate*, **** *high* and ***** *very high* level of input into the growth processes.

Growth resources in the form of *financial* resources came from the owners' personal savings (RSM1), husband's savings (RSM3) and bank loans (RSM2, 4). Well trained, inexpensive workers, as well as experienced management staff, were important sources of *human* resources for (RSM1, 3 and 4). *Physical* resources in the form of low cost local materials created a positive influence for the growth of these four firms.

The success of these four firms in growing in a short time was based on the owners' creative abilities. RSM1's innovative form of transforming metal and glass recycled items into decorative products was a successful growth action for SM1. Aligned with incremental improvement in product quality, there was an enhancement in the business performance of SM1 through the improvement of operational processes. RSM2's innovative idea of producing bathroom fittings from fibreglass provided SM2 with a strong influence to grow. Creative abilities of RSM3 and 4 enabled the products of SM3 and 4 to be differentiated from the market. RSM1 and 2's careful control over expenditures, combined with a focus on quality of production, was also important for the growth of SM1 and SM2.

5.4.4 CONCLUSION

From the cases of four small-sized manufacturing firms, it is evident that, the owners' individual capabilities and their growth aspiration have been strong elements for firm growth. Well thought out growth actions were linked with these growth aspirations to drive firm success. Therefore, the positive influence of strong growth aspirations as the individual factor, together with growth action factors are evident in these firms.

5.5 FOUR MEDIUM-SIZED SERVICE FIRMS STUDIES

A brief history on each firm is presented in this section for forming a perspective of each successful woman-owned medium-sized service firm.

5.5.1 HISTORY OF THE FIRMS

Case 1: MS1 is a beauty-care service providing venture. In 1996 it started as a small beauty salon in the heart of Dhaka city. MS1's growth potential was significantly increased in 1998 when RMS1 was chosen as the 'brand ambassador' by an internationally renowned brand which brought her countrywide recognition. With this recognition, the demand for MS1's services also grew. Catering to the growing

demand of a beauty and health conscious population, MS1 provides various services such as spa and body massage, professional make up, as well as hairdressing.

The journey of MS1 began in a 200 square feet room in a part of RSM1's residence. With three workers and a small initial investment, the first year of business earned about AUD0.06 million. It did not take long for MS1 to be recognised by clients. In 1998, MS1 moved into a 2000 square feet salon with 50 workers. MS1 served substantially more clients from the new outlet and earned around AUD 0.41 million during 2000. The number of clients continued to increase, as there were only a few good quality salons in the city at that time and MS1 provided quality services with new features. The operational area was further expanded to 3500 square feet in 2002 and by 2004 annual sales had increased to AUD 1.06 million. A second fully equipped beauty salon outlet was opened in 2005 to serve the clients with MS1's skin and hair care services and annual sales increased from around AUD1.29 million to AUD1.62 million. To achieve higher growth, MS1 diversified. In 2006 it launched a photo studio and also started publishing a lifestyle magazine. However, as MS1 gradually grew, the need for skilled service providers became greater than before. Regular training and on-the-job assistance was provided to the workers to improve the quality of service. With improved level of skill, new features and new services were added, which facilitated MS1's growth. MS1 also started a training institute on beauty services in 2007. Due to all these additions, there was a significant growth in sales, with annual sales increasing to AUD2.02 million in 2010.

Over a span of fifteen years, MS1 has successfully proven its excellence and commitment towards its goal of grooming lives and has been established as a recognised brand in the beauty industry in Bangladesh. For the last ten years, MS1 has been able to maintain its leading position in the market. In 2011, MS1 employed 400 employees of whom 99 per cent were women.

Case 2: MS2 is an event management firm specialising in floral decorations and landscaping. It was one of the first floral decoration businesses to set up in Dhaka city. In 1992, MS2's journey started in a small shop selling fresh and dried flowers for occasional decorations. With only one worker, RMS2 did most of the decorations

herself. The first year of sales earned about AUD0.03 million. In 1993, during the Seventh SAARC (South Asian Association for Regional Cooperation) Summit in Dhaka, MS2 received a major impetus to its development. MS2 was contracted to decorate the hotels and state guesthouses where the heads of states and government officers were staying. This unique form of art was appreciated enormously and MS2's service was admired by the guests. As turnover, staff and physical space requirements grew, MS2 moved into a 3,000 square feet apartment and ten more workers were hired in 1996.

Concurrently, MS2 started to adapt to its growth by converting its business focus from flower seller to a decorative service provider. This shift in emphasis provided the firm with a more stable business platform and in 1998 annual sales were AUD0.93 million. Sales growth slowed down during 1999. However, since 2000 MS2 has exhibited a sustained growth with an increasing demand in the market. During 2000 to 2006, annual sales grew from AUD 1.06 million to AUD 1.35 million. However, the growth rate declined in 2006-07, mainly due to unstable market conditions caused by the internal political actions and events in Bangladesh. Between 2008 and 2010, output increased steadily and annual sales grew to AUD 1.75 million.

The creative and unique presentation of fresh and dried flowers has drawn a wide range of customers including embassies, banks, corporate offices as well as household consumers. MS2 is also renowned for wedding decorations. In a span of nineteen years, the business has expanded to landscaping, indoor pot plants, roof gardening and water fountains. More than 5,000 projects have been completed by MS2. Some of the significant projects include the decoration of prestigious venues during the state visits of foreign dignitaries. In 2011, MS2 with about 50 workers is located in the most affluent area of Dhaka city. With decades of experience in flower decoration, wedding decoration, corporate event management and landscaping, in 2011, MS2 was considered to be the pioneer of the industry.

Case 3: MS3 has grown over a thirty eight year period to become one of the oldest and most successful advertising firms, competing effectively against other

advertising companies in Bangladesh. MS3 was formed in July 1974 as one of the first advertising agencies in Bangladesh and the first year of sales earned about AUD0.02 million. Since its inception, it has been working in the field of communication and social awareness. MS3 was created on the base of RMS3's industry experience that was enhanced by her commitment to understanding consumer preferences.

In its initial years of operations, MS3 started formulating advertisements and campaigns for a food producing company. In 1977, MS3 was contracted by a large multinational company to design their campaigns and commercials. When these commercials were aired, MS3 started to be recognised in the market. Soon it started working for highly regarded brands in the country and moved into a 2,000 square feet office space to accommodate twenty employees. Since 2000, MS3 experienced consistent growth, with an increasing demand in the market. During 2000 to 2004, annual sales grew from AUD 1.03 million to AUD 1.38 million. Over the years, with a growing demand in the local market, MS3 has gradually grown. However, the annual growth declined in 2006-07, mainly due to the unstable market conditions caused by the internal political actions and events. In 2010, annual sales were AUD 1.6 million.

MS3 has built a strong reputation over the years, based on its creative campaigns of different agricultural, household, automobile, food and beverage and personal hygienic products and brands of local and multinational companies. MS3 also produces audio visual, printing and research for various government organisations and NGOs. It has been one of the leading firms in the advertising industry of Bangladesh and most of the brands it manages are the leaders in their respective market segments. From a small advertising agency, MS3 has expanded to be one of the most successful advertising firms in the country, with an employment of about 50.

Case 4: MS4 is a restaurant of Thai, Mexican, Indian and Bangladeshi cuisines. In 2000, MS4 began with the concept of a place of clean and good quality food at low prices for students, families and the busy working population of Dhaka city. In November 2000, the venture of MS4 began with an investment of AUD2,000 in a 200

square feet shop with a small kitchen in one of the most affluent neighbourhoods in Dhaka city. There were enormous numbers of cafes and restaurants in Dhaka city. And, therefore, RMS4 concentrated on popularising foreign cuisines in MS4.

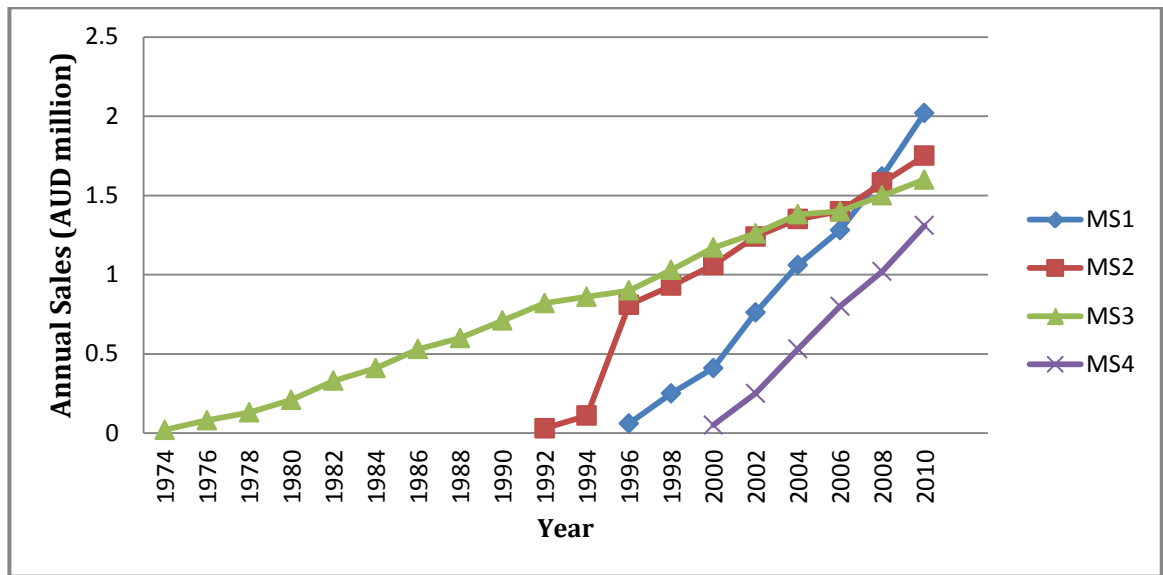
Initially, the shop was set up for regular dining arrangements for fifteen guests. The first year of business earned about AUD0.05 million. With four employees and a growing clientele it did not take long for MS4 to become popular, especially among young people. In 2002 annual sales increased to AUD0.25 million. The firm entered a sustained period of rapid growth in 2003. In 2005, MS4 moved to new premises at a food court which could accommodate 50 people. With increased capacity to serve more clients from the larger outlet, MS4 was able to yield around AUD 0.80 million during 2006. MS4's popularity continued to increase and a second restaurant was opened in 2010, with larger premises accommodating one hundred guests. That year the annual sales increased from around AUD1.02 million to AUD1.31 million.

Operating in a highly competitive food industry, MS4 has exhibited significant growth in revenue and employee numbers over an eleven-year period. Well trained chefs use good quality materials for preparing food which differentiates MS4 from other restaurants in the city. RMS4 also arranges amateur as well as professional singers, poets, comedians and musicians to perform, either voluntarily or for a small honorarium, once a month on a weekend. With these efforts, MS4 was successful in attracting more customers and satisfying their culinary needs, which eventually created a strong client base for MS4. During 2011, MS4 operated as one of a few women-owned medium-sized restaurants in Bangladesh, employing 50 workers. Over a span of eleven years, MS4 has established a brand in the culinary industry and is considered as one of the most popular places to hang out and enjoy good food in Dhaka city.

5.5.2 GROWTH OF THE FIRMS

The growth patterns of MS1, MS2, MS3 and MS4 are illustrated in the line chart in Figure 5.3.

Figure 5.3 Growth of four medium-sized service firms



Source: Appendix E - Case Reports

Figure 5.3 shows great diversity in the starting points of these four MSs and their actual growth patterns. Unlike the other three MSs, MS3 has grown over the longest period of 38 years. Over this long term, MS3's development path was a steady one which did not experience any significant negative affect from the external environment, with only a mild reduction in growth between 1994 and 1996. MS2 exhibits an uneven pattern of growth over its eighteen years of operation. The sales growth of MS2 was low from 1992 through 1994 before an enormous increase from 1994 to 1996 onwards, compared to the other MSs. In its early years of development, MS1's annual sales increased until 1998. In 1998 it declined slightly. MS1 experienced strong steady growth from 2000. Among these four firms, MS4 started last and exhibited stronger growth compared to the other three firms. Although a comparison across the growth lines of MS1, 2, 3 and 4 was complicated, due to diversity in their starting points, they depict similar patterns of growth since 1996.

5.5.3 COMMON PATTERNS ACROSS MEDIUM-SIZED SERVICE FIRMS

The common patterns among MS1, MS2, MS3 and MS4 are presented in Table 5.3; with *italics* in the summary below signifying important features of the various framework elements.

The mixture of owner's individual, internal, external environment factors as well as the activities undertaken by the firm help to explain why these firms outperformed their industry competitors. A strong educational background is one of the important *individual* capabilities. All of the entrepreneurs (RMS1, 2, 3 and 4) received higher levels of education. Three of them (RMS1, 2 and 4) were graduates and RMS3 completed a Masters. Although their education was not directly related to the businesses they pursued, three of them (MS1, 2 and 4) had industry specific training which acted as their knowledge foundation and was reflected in their technical superiority.

Table 5.3 Framework elements to business growth of four medium-sized service firms

Cases	MS1	MS2	MS3	MS4
Framework element				
<i>Individual Factors</i>				
Capabilities	****	*****	*****	****
Growth aspirations	*****	*****	*****	*****
Family support	*****	*****	****	****
<i>Internal Firm Environment</i>				
Entrepreneurial ability	*****	*****	*****	*****
Managerial ability	****	***	****	****
Technical ability	*****	*****	*****	*****
<i>External Environment</i>				
Product market	****	*****	*****	****
Opportunities	****	****	****	****
Government support	**	**	**	**
<i>Growth Resources</i>				
Financial	*****	*****	*****	*****
Social	****	*****	*****	****
Human	****	*****	*****	****
<i>Growth Actions</i>				
Service quality improvement	*****	*****	*****	*****
Cost reduction	*	*	*	*
New service development	*****	****	*****	*****

KEY: * denotes *very low*, ** *low*, *** *moderate*, **** *high* and ***** *very high* level of input into the growth processes.

The *Motivation* behind the business creation appears diverse. RMS1 and 2 were driven by their passion for creativity and independence. Whilst for RMS3 and 4 their initial motivation was related to their access to the market and growth opportunity in the flourishing industry. However, all of the entrepreneurs (RMS1, 2, 3 and 4) were driven by very high growth *aspirations*.

In terms of *family* structure, all the business owners (RMS1, 2, 3 and 4) were married and were mothers at the time of entering into business. *Family* has been an important contributor towards the growth of MS1. RMS1's mother-in-law provided her with the start-up capital for MS1. RMS2 belonged to a family with a rich cultural background which greatly inspired her towards art and creativity. This family background provided a strong motivation for her to be in the creative industry and the aspiration for her to start her business. From an early age, RMS3 was encouraged to read newspapers, magazines, books and every evening discuss with the family whatever she read. This habit of reading and expressing her own opinion eventually became her passion and inspired her to be a writer. RMS4's father was involved in business. She took a keen interest in entrepreneurship like her father and her perceived feasibility of becoming an entrepreneur was supported by the family.

The prosperous growth in operations of these four medium-sized service firms was the result of the owners' *entrepreneurial* capabilities. In the 1990s, the beauty industry was considered an unconventional area of business to enter into. RMS1's entrepreneurial ability to identify this as an opportunity provided MS1 with a strong base from which to grow. RMS1 was an innovator in that she started something new in the market and also created a demand for it. At the time when the idea of creating art through floral decorations was entirely new, RMS2 took the challenge of opening the first ever business of that kind in Bangladesh. She was successful in capitalising on this opportunity and provided the firm with growth opportunities. RMS3 was able to identify the potential growth of the advertising industry in the near future. She took the risk of investing in a newly created advertising industry and was successful in taking advantage of economic opportunities created by the demand in the local market. RMS4's risk taking ability allowed her to invest in the male

dominated food industry. Her ability to identify new growth opportunities and accurate decision making ability ensured a strong market base for MS4.

Managerial abilities of MS1 and MS4 were formed and further improved by providing regular on-the-job training to the service providers and the management executives. RMS2 and 3 hired a group of experienced employees with high levels of managerial skills. RMS3 and 4 also received short training on managerial issues to ensure proper control over the management of employees. The initial *technical* competence of MS1, 2 and 4 were formed by the owners' general education course works, as well as their industry specific training. For RMS2 and 3, technical competence was further improved by their five to seven years of work experience.

From an external environment perspective, these four (MS1, 2, 3 and 4) medium-sized service firms were *pulled* into business by the prospect of better earnings and career advancements. The society's changed perception about beautification and wellbeing created the scope for MS1's services. A change in consumption patterns and a tendency to spend more on disposable commodities created an *opportunity* for MS2's service in the market. A shortage of places for people to spend some quality time with good food in Dhaka created an opportunity and in response to this opportunity MS4 created a market for good food. A large and growing market was important for the growth of MS1, 2 and 4. Apart from these pull factors; there was also a *push* factor for RMS3 as she resigned from the agency where she had been working and needed to start her own business. None of the four industries received any specific support from the *government*. However, RMS1 was able to gain some small support as a general women-based business.

The steady growth of these four firms involved a varied combination of growth resources. MS1 started with low capitalisation provided by RMS1's mother-in-law and borrowed from bank for the expansion of MS1. The owners' personal savings from their previous jobs and family resources were used as the initial capitalisation for MS2, 3 and 4. Profit surpluses of MS2, 3 and 4 was reinvested for financing gradual business growth. *Social resources* in the form of network contacts have been important for the accumulation of business knowledge and experience, which

contributed towards the growth of these firms. RMS2's family's strong cultural background, RMS4's job as a television newscaster and RMS1's selection as the 'brand ambassador' of a renowned international brand provided them (RMS1, 2 and 4) name and recognition in society, which helped them to develop a strong base of social contacts and networks. All four of these women considered the success of their businesses to be built upon their highly qualified staff. *Human* resources in the form of creative, trained and dedicated employees at a reasonable and competitive salary were considered as a vital source for growing MS1, 2, 3 and 4.

The growth actions of these businesses appeared to vary depending on their context. For RMS1, the firm's success was built around a reputation for responsiveness, customer focus and quality, which created loyalty in customers and MS1 was able to generate repeat sales. RMS3's active interest in gaining enhanced business skills through formal training underpinned many of the new practices and processes implemented at MS3. RMS3 continued to enhance the range of services, as well as relationship building activities, in order to penetrate the existing customer base. Developing new features were important growth actions taken by RMS4. There were enormous number of cafes and restaurants in Dhaka city. Therefore, to popularise MS4, RMS4 arranged amateur as well as professional singers, poets, comedians and musicians to perform, for a small honorarium, once in month on a weekend. With these efforts, MS4 was successful in attracting more customers and satisfying their culinary needs, which eventually created a strong clientele base for MS4. For MS2, maintaining and improving service quality and adding new elements to each order were important for creating a satisfied and loyal customer base. Uniqueness in designing the flower arrangements was also ensured through the customisation of each order on the basis of the client's preference.

5.6 FOUR SMALL-SIZED SERVICE FIRMS STUDIES

Four case studies on growth oriented women-owned small-sized service firms are presented in this section.

5.6.1 HISTORY OF THE FIRMS

Case 1: SS1 is a supplier and installer of telecommunication equipment. In 2000, the original business concept was to serve as a PABX (Private Automated Branch Exchange) phone line provider in a central location of Dhaka city. The business started in a 400 square feet shop with two workers. In the first year of business SS1 started with residential as well as commercial telephone connections which earned about AUD0.02 million. SS1 grew slowly during 2002 with annual sales of AUD0.23 million. With strong local demand, in 2004, it became a supplier of various sorts of telecommunication equipment including telephone sets, connectors, cables and antennas which significantly increased SS1's growth potential. In 2004, with growing demand in the market, SS1 shifted to a larger space with a 1,200 square feet area to allow it to serve a greater number of clients. This yielded around AUD 0.81 million for 2004. Since 2004 it has had stable strong growth.

Mobile telephone systems have evolved over time, along with an incredible increase in the number of telephone users in Bangladesh. To satisfy this growing demand for mobile telecommunication, mobile operators required strong technical support from a domestic provider. With a team of skilled and hardworking technical staff, RSS1 provided strong technical support to these mobile operators and started installation as well as maintenance of microwave equipment. In 2006, annual sales were AUD1.29 million. However, the growth rate declined during 2007 mainly due to the unstable political situation of the country. Operational sophistication was further improved in 2009. Since 2009, SS1 has provided various services such as the supply and installation of tower equipment, maintenance and testing of towers, appropriate earthing for towers and equipment, alignment of antennas, cabling and ducting, and installation and commissioning of microwave equipment. Due to all these additions, the annual sales grew from AUD1.68 million in 2008 to AUD2.05 million in 2010. During 2010, SS1 operated in four different districts of the country where twenty technical staff were involved in installation and maintenance of towers and microwave equipment. In 2011, SS1 was an employer of twenty two technical staff, two administrative officers and an accountant.

Case 2: In 2002, SS2 emerged as one of the very few architectural consultancy firms created and maintained by women architects in Bangladesh. SS2 began as a firm aiming to popularise new contemporary architectural thinking in Bangladesh. It provides full architectural services including interiors, landscaping, master planning, and graphic designing to a wide variety of residential projects, offices, hotels, commercial facilities as well as various scales of industrial and commercial institutional projects. The nature of SS2's activities incorporates locally available construction and decorative materials such as off-white sandstone as well as local crafts such as hand-made terrazzo tiles, timberwork and wrought iron for energy efficient conventional designs which also reduced the cost of construction. Based on unique designs and low-cost local materials, SS2 secured a certain creative portion of the market that was attracted to this approach. From then, the business was able to maintain steady growth in this competitive advantage. With an increase in the number of clients SS2 moved into a larger office in 2006. By 2011, SS2 employed 12 architects, six engineers and two accountants. With a total of 20 employees, in 2011, SS2 was considered one of the most successful women-owned architectural consultancy firms in the country.

Over a short period of operation, SS2 has exhibited significant growth in revenue and employee numbers. In 2002, SS2 started operating in a highly competitive male-dominated industry, with a small investment which could only buy a computer, some stationery items such as tracing paper, drafting pens and some books on architecture. Initially, a small room in RSS2's apartment was used as the office for two architects and RSS2 herself. In the first year of business SS2 earned about AUD0.096 million. Soon, her exceptional environmentally friendly designs became popular among clients and RSS2 rented a small office in 2003. In 2004, SS2 won a national design competition for climate-responsive design for a twenty story tower which brought prompt recognition. During 2004, the annual sales were AUD0.37 million. A major breakthrough came in 2005 when SS2 designed the interiors of one of the largest pharmaceutical companies in Bangladesh. The work orders started flowing in from multinational banks and other companies. In 2006, by the time SS2 had moved into a larger office, it had ten architects, four engineers, an accountant and annual sales grew to AUD0.78 million. With increased manpower, SS2 served

more clients from new operational areas, resulting in total sales around AUD1.18 million in 2008. In 2011, annual sales grew to AUD1.5 million.

Case 3: SS3 is an educational institution based in Dhaka, Bangladesh. It was formed in 2004 to assist in building the career paths of those individuals who wanted to explore the design sectors, such as – fashion designing, interior designing, Ikebana, and Bonsai. SS3 offers a range of undergraduate programs in Fashion Design and Technology (FDT) under the National University of Bangladesh. A number of Diploma courses in fashion design, interior design and graphic design are also offered. Designed to meet the needs of students, SS3 offers various facilities for academic art and designing. Besides the course studies, SS3 also provides the students with practical hands on experience through internships and commercial projects. Due to the unique nature of SS3's courses, it organised fashion shows and exhibitions for demonstrating students' works. It was significant for the students as they were recognised and appreciated through these shows. For organising and funding these shows, a major portion of SS3's profit needed to be reinvested. However, RSS3 managed to attract more students through these shows and SS3's diversified range of courses. SS3's qualifications are well recognised in the industry as evidenced by the success stories of its graduates.

SS3 went through a period of steady expansion since its inception. In 2004, the journey of SS3 started in a spacious rented office consisting of four rooms. Two of the rooms were used as class rooms, the room at the front was used as the reception and the other room was used for practical training and making. There were only two employees at the beginning. In 2004, the first class in the fashion design course had seven students. The second batch started a month later. RSS3 conducted the course studies as well as the practical training. In the first year of business SS3 earned about AUD0.03 million. The affiliation with the government university in 2005 increased the number of students. Five academic staff and two administrative staffs were hired and the following year SS3 grew significantly with annual sales of AUD0.17 million. In the same year, more courses on interior design, graphic design, Ikebana and Bonsai were added. With a growing demand for industry specific courses, annual sales of SS3 continued to grow and yielded AUD 0.25 million in 2008.

In 2010, eight academic staff were added. To achieve higher growth, more courses were added, which attracted more students. Due to all these additions, annual sales were AUD0.32 million in 2010. With a student population of 500, in 2011, SS3 employed twelve academic and five administrative staff.

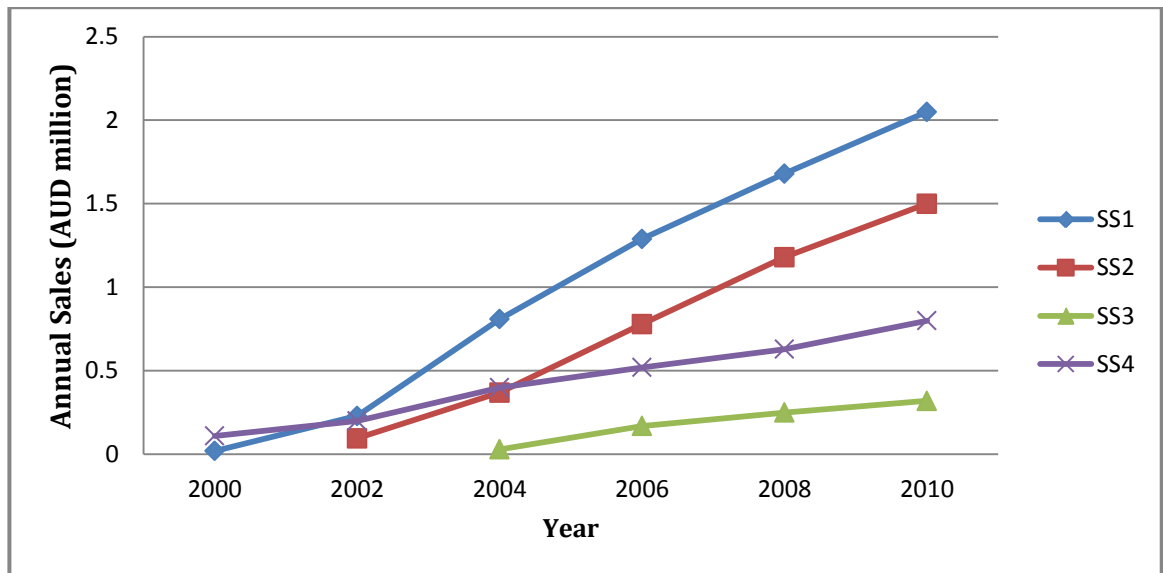
Case 4: SS4 is an airport shuttle bus service aiming at making passengers' travelling experience safe, comfortable as well as affordable. In operation since 2000, SS4 deals with major airlines, foreign missions and NGOs. It also provides Dhaka, Chittagong and Sylhet residents with a regular transport service to the Dhaka International Airport. Initially RSS4 invested AUD 3,500. With this money she rented an office in Dhaka International Airport, bought an air-conditioned micro bus and hired three drivers and an administrative officer. SS4 had a steady flow of passengers and clientele from the beginning and established goodwill within the first year of its operation. In 2000, the first year of business, it earned about AUD0.11 million. SS4 grew slowly during 2002 with annual sales of AUD0.20 million. With growing numbers of passengers, SS4 was well known as an airport shuttle service within a year. In 2003, SS4 contracted with some of the major airlines to carry their crew and passengers. With these airline agreements, the business grew which increased annual sales to AUD0.40 million.

SS4's trained and experienced employees also increased the growth potential of SS4. In 2004 RSS4 bought two more buses and opened a branch office in Chittagong. For this new office, SS4 employed three drivers and two administrative officers. This increased annual sales in 2006 to AUD0.52 million. In 2006, SS4 further increased its capacity to transport more passengers to more destinations and added another branch office in Sylhet. Two more buses were added for the transportation between Dhaka airport-Sylhet, four drivers and three administrative officers were hired for maintaining the Sylhet office. All these expansions resulted in additional sales. In 2008 annual sales were AUD0.63 million which grew to AUD0.80 million in 2010. As at 2011, SS4 consisted of three offices with 24 employees working around the clock 365 days a year. Over a span of eleven years, SS4 was established as one of the most renowned shuttle bus service providers in the country.

5.6.2 GROWTH OF THE FIRMS

Figure 5.3, shows a graphic representation of SS1, SS2, SS3 and SS4's growth.

Figure 5.4 Growth of four small-sized service firms



Source: Appendix E - Case Reports

Figure 5.4 shows the four small-sized service firms in the case studies which have grown over a short period of time. It is evident from line chart that, SS1 was historically a higher performing firm compared to the other SSs. Among these four firms, both SS1 and SS4 grew over a period of time starting from 2000. However, growth pattern of SS1 exhibits a different slope compared to SS4. SS1's annual sales were low until 2002 from when it grew significantly. The magnitude of the growth rate in SS1 exceeded significantly that of SS4. SS1 experienced strong steady growth from 2002 onwards, whereas, the growth pattern of SS4 shows ten years of gradual sales growth. The growth pattern of SS2 exhibited significant growth in sales over a short period of operation. Without any significant fluctuation in performance, SS2 had a gradual increase in growth. Among these four firms, SS3 is the youngest and has experience the shortest yet uninterrupted pattern of growth since its inception in 2004.

5.6.3 COMMON PATTERNS ACROSS SMALL-SIZED SERVICE FIRMS

Table 5.4 exhibits the common patterns among SS1, SS2, SS3 and SS4, with italics in the summary below signifying the important features of the various framework elements.

Table 5.4 Framework elements to business growth of four small-sized service firms

Cases	SS1	SS2	SS3	SS4
Framework element				
<i>Individual Factors</i>				
Capabilities	****	*****	*****	****
Growth aspirations	*****	*****	*****	*****
Family support	*****	****	****	****
<i>Internal Firm Environment</i>				
Entrepreneurial ability	*****	*****	****	*****
Managerial ability	****	****	****	*****
Technical ability	*****	*****	*****	*****
<i>External Environment</i>				
Product market	****	****	*****	*****
Opportunities	****	****	*****	*****
Government support	**	**	**	**
<i>Growth Resources</i>				
Financial	*****	****	*****	*****
Social	****	*****	*****	*****
Human	*****	*****	*****	*****
<i>Growth Actions</i>				
Service quality improvement	*****	*****	*****	*****
Cost reduction	*	*****	*	*
New service development	*****	****	*****	*****

KEY: * denotes *very low*, ** *low*, *** *moderate*, **** *high* and ***** *very high* level of input into the growth processes.

A combination of the owners' individual, internal and external factors and growth actions undertaken by them explains the successful growth of these expanding firms. The *individual* capabilities include educational background. Three of the owners (RSS2, 3 and 4) were graduates. Although RSS4 graduated in economics, this did not have any direct relationship to the transportation business that she pursued. RSS2 and RSS3 were trained in their specific industries and had artistic skills in creative

designing. RSS2's engineering study background provided her with the basic competence which she was able to improve further by working in an engineering firm. RSS3's graduation in creative designing provided her with an essential background and training which was evident in superior performance.

The owners' *motivation* behind the venture creation appears to be different. RSS2 was motivated by her desire for independence and she wanted to create a certain position in the traditional male-dominated market. All of other owners (RSS1, 3 and 4) started businesses as they wanted to meet the need that existed in the market by providing their services. However, each of them had high growth *aspirations* and wanted to grow their businesses from the start.

An individual owner is embedded within her family context which affects business performance. Two of them (RSS1 and 3) belonged to business families and were greatly inspired by their family background. A desire to run their own businesses developed from childhood which created a strong *motivation* in them. Three of the entrepreneurs (RSS1, 2 and 3) were married at the time of starting their businesses and had strong *family support* in the form of spouse and in-law cooperation. RSS1's husband also provided the initial capital for SS1. Two of them (RSS1 and 3) were mothers. However, responsibilities for caring for the children were mostly carried out by their family members. RSS3 was married to a businessman who was a former Adviser to the Government of Bangladesh. Her husband's position in the government helped to get compulsory government approvals for offering various undergraduate level courses under the affiliation of the National University of Bangladesh, which facilitated the growth of SS3.

The effective growth in operations of these small-sized service firms was the outcome of the owners' *entrepreneurial abilities*. Dhaka city is an appropriate market for mobile telephone services due to its large and highly concentrated population. RSS1's ability to identify this as a business opportunity provided a strong base to start the business. RSS2's efficiency of resource allocation and accurate decision making ability was combined with her desire to popularise contemporary architectural designs, which ensured a strong market base for SS2. Moreover, she

was an innovator in creative designing as she used local materials and crafts for constructing energy efficient and environmentally friendly buildings which were much appreciated by the clients. RSS3 recognised the need for an institution that could provide education and training in creative art and design. There was an increase in students' interest in these areas. RSS3's capacity to identify this as an opportunity and act upon it for a profitable business formed the strong base for SS3 to grow. For RSS4, her ability to identify the scope for a safe and comfortable airport shuttle service in Dhaka city provided SS4's growth. She was also an innovator in introducing a new service in the market. Through a mixture of personal industry experience, skill enhancement and selective recruitment, SS4 managed to secure a portion of the market.

In the early years of business, in order to generate the initial *managerial* capabilities of the firms, two of the owners (RSS1 and 2) received training on managerial issues through short courses arranged by the Women's Chamber of Commerce and Industry (WCCI) which was further improved by providing regular on-the-job training to the employees of the firms in management positions. SS3's *managerial* capabilities were formed by hiring a group of experienced administrative staff who possessed highly developed managerial skills. RSS4's managerial experience in a hotel provided SS4 with *managerial* competence. She was successful in taking this experience from a hotel business to a transportation business.

The *technical* competences of two of the owners (RSS2 and 3) were formed by their educational and training background. The growth and expansion of SS2 can be attributed to its unique form of design and construction. This was a result of RSS2's *technical* competence which she gained from her four-year education background. It was further improved by RSS2's experience working as a consultant in an engineering firm. Qualified architects and engineers were hired for maintaining professional excellence and improving it further. RSS3 was an art graduate, which shaped the initial base of SS3's technical competence. This was further improved with her experience working as a drawing teacher in a school. Later, a group of art graduates were hired to fill the academic positions of SS3, which also added to its technical capabilities. RSS1 went to China and her initial technical abilities were

augmented by the three months training she received there. Later, she also trained her own workers for SS1. SS3's growth can also be attributed to RSS3's *technical abilities* which she gained from her educational background. The technical abilities of SS4 were formed by hiring skilled and experienced drivers and technicians for SS4.

All four of these women who owned small sized service firms were pulled into business by the business *opportunities* which existed in the market. With the strong economic development of Bangladesh, there was a rapid increase in the demand for mobile telecommunication. As a result, the number of mobile subscribers increased creating the scope for SS1's services in the market. According to RSS2, the opportunities for architects and interior designers expanded after the 1990s. The architectural trend began to change as people travelled more and came to know the importance of good environmentally friendly designs, which created a demand for SS2's service in the market. Similarly, in the case of SS3, there was a growth in the need for professional designers as the ready-made garment industry was blooming. This large and growing market was an important factor behind the growth of SS3. Likewise for SS4, the business scope was created from a lack of airport shuttle services in Bangladesh. As a result of this *opportunity*, SS4 created a market for safe and affordable transportation to the airport, which was growing and was also an important element behind the creation and development of SS4.

Among the favourable factors from the external environment, material *suppliers* were common among two of the firms (SS1 and 2). RSS1 always maintained a strong relationship with the suppliers of SS2's raw materials. According to RSS1, timely supply of good quality materials influenced the growth of SS1. For SS2, utilisation of locally available construction and decoration materials (such as sandstones, timberwork, handmade terrazzo tiles and wrought iron) was essential for energy efficient conventional designs which also reduced the cost of construction. *Government support* was an important factor for the growth of SS3. Due to RSS3's husband's position in the government, SS3 was able to obtain government permission for offering courses under the National University of Bangladesh. A

certain flow of students was ensured with this arrangement and the growth of SS3 was escalated.

Growth *resources* of SS1, 2, 3 and 4 include financial, social, physical and human resources. Personal savings and family resources in the form of *financial* resources provided significant support for the growth of all four of the firms. Profit surplus was reinvested for the further expansion of SS2, 3 and 4. Only RSS1 acquired a bank loan for funding the subsequent growth of SS1. *Physical* resources of SS2 included local materials and technology for construction and interior decoration.

Domestically available quality materials and other traditional decorative items were easy sources of physical resources. The innovative way of utilising and combining these elements can be recognised as the most important *technological* resource of SS2. Skilled professionals with sound technical knowledge were the source of strong *human* resources for SS2. In the case of SS3, a strong team of creative artists was an important source of *human* resources. These creative artists were provided with short training on teaching for improving their level of skills in teaching.

Social resources were important for the formation and subsequent growth of SS3. RSS3's powerful family background in business, as well as in government, provided SS3 with strong social capital. Her husband's influential status in government facilitated SS3's affiliation with the government-owned university. By this, the quality and standard of SS3's education was recognised in the market, which helped to attract students' attention. RSS4's previous managerial position in a hotel was an important source of business networks. *Social resources* in the form of network contacts were important for the accumulation of business knowledge and experience, which contributed to the growth of SS4.

The successful business development of SS1, 2, 3 and 4 was the result of their owners' *growth actions*. An action by SS1 to enhance growth was the proactive scanning of the industry environment to identify opportunities. By doing this, RSS1 ascertained that to satisfy the increasing demand for mobile telecommunication, mobile operators would require strong technical support from a domestic provider. Developing efficiencies in operations and leveraging network connections and

technological solutions made SS1 an effective competitor in this dynamic sector. In the case of SS4, agreements with major airlines for transporting their crew and passengers sustained the firm for a number of years following its inception.

Market expansion was another growth strategy adopted to drive growth over the next period. SS4 developed an identified segment of the market, which allowed it to leverage its reputation for safety and quality by providing cost effective affordable transportation. Two district offices were setup to enhance the logistics function and to provide a central base to facilitate communications with clients and industry contacts. This geographic expansion strategy proved successful. This was important for expanding its physical infrastructure beyond Dhaka.

SS3's affiliation with the state-owned university was an important growth action of SS3. This affiliation brought SS3 recognition, which helped in attracting more students to grow the business. SS3's approach towards people was another important growth strategy. The firm's approach to people was one where every individual, whether employee, teacher, student or simply an interested outsider, was treated with dignity and respect. This approach was characterised by honesty in dealings, delegation of responsibility, and information sharing. This approach also extended to networking activities as a tool to listen to and learn from the experiences.

RSS2 possessed a distinctive comparative advantage as she was a qualified architect. Growth of SS2 depended on her ability to satisfy consumer demand for energy efficient environmentally friendly construction. With her strong educational background she was able to differentiate her work from others, which ensured SS2's growth. Whilst technical operations including design and construction are critical, every aspect of the operation was constantly under strict monitoring by teams of engineers. The engineers appear to share a common commitment to RSS2's ideal of quality, efficient processes and consumer focus. New operational systems were introduced in SS2 which integrated accounting, operations and administrative activities to provide opportunities for further expansion.

5.7 SUMMARY OF THE SIXTEEN CASE STUDIES

This section outlines common patterns across the sixteen case studies, firstly on the basis of growth patterns and then the framework elements.

5.7.1 GROWTH PATTERNS

A comparison across the growth patterns of the sixteen cases is complicated because of the diversity in their operational area. Differences in growth patterns were noted on the basis of the nature and condition of the specific industry. However, commonalities were also apparent on the basis of the economic development of the country. Great diversity in starting points has been noted among these sixteen firms. Only two service firms among these sixteen SMEs started as a home-based operation. While one ready-made garments manufacturer owned land and buildings, the rest of the women entrepreneurs worked from rented properties. Medium-sized firms were found to be in operation for longer periods of time compared to small-sized firms. Regardless of the industry, the growth patterns of the medium-sized firms were more consistent with fewer fluctuations compared to the small-sized firms.

5.7.2 FRAMEWORK ELEMENTS

The main points that have been drawn from the sixteen case studies are presented. In the analysis of the growth of these firms, it is evident that (although these sixteen women entrepreneurs were a diverse group with heterogeneous backgrounds, perceptions and circumstances) they all were successful in perceiving opportunities in the market. Both in the cases of manufacturing and service firms, external conditions were productively exploited. Fifteen entrepreneurs were pulled into businesses by the growth opportunities of respective industries. These SMEs were built on the entrepreneurs' recognition of an opportunity which implied a possibility for a new or significantly different product, service or business. MM4, SM1, SM2, MS1, MS2, MS3, SS1, and SS4 capitalised on an opportunity for a new product or service in the market. Other firms were stimulated by the possibility of creating a significantly different product or service in the market. Although these women

entrepreneurs exhibit diverse range of motivation for their own venture creation, high growth aspirations appear to be common among all of them. These entrepreneurs were optimistic about the prospects of their firms. All sixteen of them had sales revenue related growth aspirations. However, only nine of them possessed growth aspirations in relation to employment growth.

In order to identify the understandings and experiences which motivated these women to become entrepreneurs, they were asked why they wanted to own and run their businesses. They were also asked to identify the main factor which inspired them or shaped their desire. Nine of the sixteen answered that by the time they were in college they knew that they wanted to be business owners. Three among these nine were sure about not working in someone else's organisation as an employee. Two of the sixteen had wanted their own business since childhood, as they were greatly inspired by their fathers being businessmen. In addition to these early deciders, two of the entrepreneurs reported becoming entrepreneurs by chance. Without having any prior planning, they were pulled into business by market opportunities. The remaining three entrepreneurs began their entrepreneurial career as they were inspired by their passion for art. They wanted to create exceptional products to skim the market and their businesses grew beyond their original expectations.

The entrepreneurs' individual abilities and skills differed considerably as was required to take advantage of diverse market conditions and opportunities. None of these entrepreneurs attributed their success to luck; rather they claimed responsibility for creating their own luck. They attributed much of the success to consistent hard work and also emphasised the significance of abilities. Several specifically stressed the importance of personal abilities made up of talents, education, knowledge and skills. Although they possessed diverse educational qualifications, fourteen out of the sixteen had graduated from universities. Almost all the entrepreneurs emphasised the contribution that ability and skills had on their success. A greater portion of the service firm owners possessed industry specific formal education and training compared to the manufacturing firm owners. However, learning ability was also identified as important for their success. In

general, the owner's educational level together with her previous experience had considerable importance for growing these SMEs. This combination of the firm's internal knowledge, experience and continuous learning ability was also utilised as a measure of managing risks in the firm's external environment.

The growth experiences of the studied SMEs were largely shaped by their family context in which they were embedded. Fifteen of them mentioned family support as an important contributor towards their business success. Strong political and business backgrounds as well as their positive influence towards firm growth were evident among four of them. Start-up capital and emotional support were the most common type of family assistance provided by both the families and spouses of these women entrepreneurs. Family also helped by providing contacts in the initial stage of business. These women entrepreneurs attributed much of their success to early orientation as well as socialisation which systematically encouraged achievement and trained them to value accomplishment. None of them perceived any conflict between their entrepreneurial career and relationships which points out that they had satisfactory relationships, with their families. However, motherhood was an influential factor in their entrepreneurial process of venture creation and growth. Three of them experienced delayed entrance into entrepreneurial activities until their children were adult.

The networking ability of these women entrepreneurs was largely shaped by their childhood socialisation which created a sense of worth and self-confidence in them for communicating as well as interacting with others. A change in networks was evident in these SMEs. Initially networks were limited to family, friends and relatives; the entrepreneurs sought emotional as well as instrumental support from them. Networking activities in this stage were limited to raising capital, obtaining a place to start business and finding customers. However, there was an enhancement in the networks throughout the entrepreneurial process. As the ventures grew, networking activities were extended to building advanced management and research teams, obtaining access to advanced knowledge in technology, as well as establishing international contacts. These contacts were also maintained to obtain

certain types of information before implementing growth strategies, to minimise the risks involved.

It was evident that financial growth resources, to a considerable extent, appear to be based on the entrepreneurs' personal savings and family resources. Bank support was received by only three of them. Internally generated company funds provided the major source of growth capital. Professional training was provided in almost all the firms, which significantly increased the growth potential of the firms.

The case study results also indicate that human elements of these growth oriented firms were developed within a people oriented culture. Manufacturing SME entrepreneurs very much emphasised acquiring and developing the workforce with appropriate training. They created a sense of responsibility among the employees representing respect and trust for individuals, delegation of responsibility as well as information sharing. Further evidence emerged from the service SME entrepreneurs indicating that recognition and appreciation of individuals helped in building and sustaining their firm's human resources. Higher pay, monthly awards to the best employee were announced as instruments of encouraging and motivating employees, which resulted in improving the available human resources. This resulted in improved effectiveness and efficiencies which eventually led to a reduced need for performance monitoring, as well as increased loyalty among employees. Improved and loyal human resources allowed the service SMEs to explore market opportunities and continue to grow.

In the analysis of these cases of growth, there was an indication that selecting the right geographic location when starting business was of critical importance. For a service industry, location related to access to market – the domestic customers significantly influence their growth propensity. Access to supplies and resources provided manufacturing firms' with greater opportunity to grow, compared to the services firms. However, a large and growing domestic market with higher population density in conjunction with a gradual development in the national economy accelerated the growth of both the manufacturing and service firms.

Three final remarks provide the basis for understanding successful firm growth experiences in developing economies. The first is the success of 'pull' driven women-owned firms, based on educated family-oriented urban-based middle-to-upper class females. Their strong self-efficacy and aspirations were matched by internal and external firm environments that were augmented very well by appropriate resources and effective decision-making. This concluding remark alters the focus of firm development away from a strong focus on women being 'pulled' into firm development out of necessity due to poverty and unemployment. Women-owned firms of this type (generally microcredit and agricultural based) show minimal firm growth and lack the potential for building economic growth.

The second remark is specifically related to the social context. Such developing economies have generally ignored women as strong economic constituents. What this study shows is that given the opportunity within the family, the community and the general body politic, talented and educated women can emerge out of the home and they can be significant and uniquely different entrepreneurs, with a longer term firm perspectives.

Finally, the size differences between the small and medium firms merely reflects the longer time period that the medium sized firms have had to grow. There is one consistent growth profile for all these successful firms and that is the fact that the small firms are growing along the same trajectory as the medium-sized firms. Such a trajectory is based on unique products in diverse industries and markets, which should encourage the Bangladesh Government to abandon the garments export-only business development policy, which is too dependent on one highly exploitative industry that has led to many tragedies; including a major garments building collapse in 2013.

5.8 CONCLUSION

This chapter details the growth rates of women-owned manufacturing and services SMEs in Dhaka. It also elaborates on the findings from the semi-structured

interviews to identify factors assisting SME growth and the actual growth processes involved. All the issues discussed in this chapter have implications for the way in which women-owned SMEs have achieved growth in the developing economy context of Bangladesh. The results and findings from this chapter provide a basis on which the process of women-owned SME growth can be discussed in the following chapter.

6 DISCUSSION

6.1 INTRODUCTION

This chapter discusses the results presented in Chapter 5 in relation to the framework of analysis (Figure 2.3). This analysis attempts to answer the research questions. This chapter is organised in six main sections. The first section arranges the organisation of this chapter. In the second section, the growth of women-owned SMEs in Dhaka city is discussed in the context of a developing economy. The third section discusses the case study results relating to the factors influencing the growth of women-owned SMEs. The fourth section discusses the findings in regard to the growth actions and strategies of women-owned SMEs. Building on these earlier sections, the fifth section revisits the conceptual framework of women-owned SME growth in order to provide answers to the research questions. Section six summarises the chapter.

6.2 GROWTH OF WOMEN-OWNED SMEs

Women's entrepreneurship in Bangladesh is experiencing a period of expansion, as in the rest of the world. There has also been an increase in women's participation in diverse aspects of social life. Women's entrepreneurial participation has considerably increased in the last three decades. However, from an international perspective, the 2.83 per cent of women ownership of enterprises in Bangladesh is not an impressive figure. Therefore, women's entrepreneurship in Bangladesh still needs to be highly promoted.

The structural change in the macro economy of Bangladesh, involving shifts of resources and customers from the agriculture sector to the industry sector (particularly ready-made garment industry) was important to the SMEs whose development was entwined within this structural change. The context of a growing economy attaches another dimension to this research. Supportive macroeconomic policies have facilitated economic development underpinned by a steady growth in

the manufacturing and services sectors, reflecting expansion in consumer demand. Although poor governance, inadequate investment in human capital, infrastructure bottlenecks, natural disasters and political unrest contributed to the increasing cost of operating business in Bangladesh, the women entrepreneurs in this study were successful in overcoming these constraints and protecting their firms against their worst effects by acquiring resources from within the environment to build the firm's internal abilities; combining them with already possessed individual characteristics and developing strategies to exploit productive opportunities.

Brush et al. (2006) argue that in developing economies women entrepreneurs are more likely to be necessity-driven whilst opportunity-driven women entrepreneurs are common in developed economies. Notwithstanding, this general proposition may change depending on specific contextual issues. Moreover, there have been calls for greater attention toward noteworthy heterogeneity among women entrepreneurs (de Bruin et al., 2006; Hughes and Jennings, 2012) as well as for emphasising the different contexts in which these women are embedded (Brush et al., 2009, 2010). Responding to these calls, this research focuses specifically upon a number of different contexts, including specific national, industrial, institutional and familial contexts for understanding their growth experiences.

This research into women's entrepreneurship follows the suggestion offered by Ahl (2006) of shifting the research attention toward a broader lens of entrepreneurship, away from questions concerning differences between female and male entrepreneurs. Moreover, consistent with James (2012), this study focuses on the successes of women entrepreneurs rather than the hurdles experienced by them. Therefore, the findings of this study in regards to highly successful women entrepreneurs are not consistent with most of the previous findings on women entrepreneurs in general. For instance, the findings in this study oppose previous arguments of (i) women entrepreneurs' mostly being necessity-driven (Das, 2000; Tambunan, 2009), (ii) their preference for controlled growth (Rosa et al., 1996; Cliff, 1998), (iii) non-economic entrepreneurial motivation (Moore and Buttner, 1997; Hechavarria et al., 2012) and (iv) a higher presence of women in their business networks (Burke et al., 1995; Klyver and Terjesen, 2010). The results rather report these growth oriented entrepreneurs to be opportunity-driven with strong

economic motivation and high ambition for rapid firm growth and a high presence of men in their professional networks.

The data on the growth of women-owned SMEs are assessed and correlated within the framework of analysis, which is a reflection of what the firms experienced at the stage of their life cycle between 2008 and 2010. The discussion builds on the analysis of actual growth rates as measured by annual sales growth from secondary data sources. The utilisation of sales growth as a valid indicator of firm growth has been well documented in the entrepreneurship literature (Davidsson et al., 2005; Delmar et al., 2003), which support the measurement of growth rates applied in this study.

Annual sales growth of the studied firms reveals that women-owned manufacturing and service SMEs in Dhaka city grew by 2.86 per cent between 2008 and 2010. This is contrary to earlier findings from another developing country Nigeria (Woldie and Adersua, 2004) that in spite of the increase in women's entrepreneurship in developing economies, the majority have not yet embraced growth opportunities appropriately. In Bangladesh women-owned SME growth rates improved at a stable rate, reasonably indicating more persistent economic growth in the country. Moreover, the growth rate of manufacturing SMEs are higher (2.92 per cent) than that of service SMEs (2.80 per cent), which is consistent with results of *Bangladesh Economic Review 2010*.

The country context of developing Bangladesh played a critical role in influencing these women's entrepreneurial experiences by shaping their entrepreneurial identities, which is consistent with Robinson et al. (2007). Country context includes the political, legal, social and cultural environments that surround and mediate the entrepreneurial activities of these women. In Bangladesh, the legal and political support for women's entrepreneurship includes the constitution of Bangladesh which ensures equal rights for women. It also incorporates property rights which allow women ownership of property. The social and cultural environment frames the gender roles and responsibilities within the society shaping women's perception of entrepreneurial activities, as well as society's perception of women entrepreneurs.

In Bangladesh women are still defined through family roles and household responsibilities. Although the empowerment of educated urban-based women is evident, gendered power relations and inequalities within the household still elucidate differences in entrepreneurial activity. However, the conditions in which the discourses are embedded are improving. Consistent with this, the results of this study demonstrate that changing social ideals in urban areas of Bangladesh encouraged the women in this study to emerge as entrepreneurs. Consequently, the liberty accompanying independent business venturing provided these women more opportunities to overcome stereotypical gender subordination. Other social trends involving household formation, women's increased participation in the labour force and their improved education levels have also changed consumer taste and preference. Moreover, a gradual growth in the overall economy has also contributed to the emergence and subsequent growth of these women entrepreneurs.

Apart from the country context, sector context also emerged as an important influential factor. Emerging industry sectors that are especially non-traditional for women entrepreneurs have played a significant role, which echoes the works of McAdam and Marlow (2012) and James (2012). Besides the ready-made garment industry, leather, printing, education and fibreglass manufacturing were some of the other emerging industries which expedited the growth of these women-owned SMEs. However, other SMEs are examples of firms in fairly standard industries that have maintained impressive growth rates. For instance, SS2 is in architectural design industry, which is a relatively low growth industry. Despite that, SS2 exhibited significant growth in revenue. The main reason for this was the exceptionally well designed climate responsive architectural services which enabled SS2 to grow in a short period of time.

The specific national context of Bangladesh and different industrial contexts have constructed the nature and trajectory of the case study SMEs. They have also shed light on the diversity of factors that have contributed towards achieving firm growth.

6.3 FACTORS ASSISTING THE GROWTH OF WOMEN-OWNED SMEs

This research aims to make a contribution to improve the conceptual understanding of women's entrepreneurship by researching the growth of women-owned SMEs operating within the backdrop of a developing economy. The objective was to identify the growth factors as well as growth actions and strategies pertaining to the growth of women-owned manufacturing and service SMEs in the context of the developing economy of Bangladesh.

Women's entrepreneurship is highly dependent on the environment in which it occurs; including the overall political, social, and cultural environment of the country as well as the industry sector. In this regard, the conceptual framework as developed for this research (which acknowledges the embeddedness of the above mentioned environments, together with various factors and elements), is an appropriate way of analysing growth oriented women's entrepreneurship in Bangladesh.

The sixteen women entrepreneurs interviewed for this study represent a diverse group with different backgrounds and environmental conditions. Supporting Brush et al. (2010), the diversity in women entrepreneurs can be attributed to factors such as the entrepreneur's personal characteristics, family support, culture, access to resources, government policies and the industrial context. Each needs to be examined in turn.

6.3.1 INDIVIDUAL FACTORS AND FAMILY CONTEXT

The family embeddedness perspective holds an appreciation for the interrelationships between business and family (Brush et al., 2010) and this research supports this factor in women's entrepreneurial activity. Growth experiences of the studied SMEs were largely shaped by the owner's family context. The entrepreneurs' families influenced the entrepreneurs' opportunity identification, decision concerning venture formation as well as access to resources, and therefore, to business growth. Seven of the sixteen owners had strong family support for business growth in the form of financial support. During the start-up phase, the new

businesses drew heavily upon family resources such as family savings. Family support was also available in the form of spouse and in-law's cooperation in carrying out family responsibilities. Shared household responsibilities and shared childcare responsibilities also provided these women with an opportunity of allocate more time to growing their business. Emotional support was also a common form of assistance provided by family and spouses.

This research demonstrates that the women studied have achieved a work-family balance resulting from various forms of family-to-business enrichment (Powell and Eddleston, 2013). Consistent with Riebe (2012), these women had a satisfactory relationship with family and they did not perceive any conflict between work and relationships. However, motherhood played a persuasive role in three of the cases as they delayed their entrance into the entrepreneurial process until their children were grown up. Moreover, four SME founders (MM1, SM1, MS4 and SS1) whose fathers were entrepreneurs performed better in terms of growth as supported by Duchesneau and Gartner (1990) and Gimeno et al. (1997).

The case study results of this study endorse the Diana group's claim of women entrepreneurs' decisions, processes and outcomes being significantly influenced by family-level factors, but with an added developing economy context. A strong family background and childhood socialisation process helped build an entrepreneurial mindset which also provided access to critical entrepreneurial resources, like business networks and start-up capital. In many cases the spouse's encouragement factored into the identification and exploitation of an opportunity. The results provide clear evidence of a strong interconnectivity between business and family for women entrepreneurs. This provides strong support for the interplay set out in the conceptual framework.

Self-efficacy

The results of this study of successful women entrepreneurs contradict with Wilson et al.'s (2007) findings regarding highly qualified women with previous experiences having low self-efficacy. Rather, these highly educated and qualified women exhibited high self-efficacy, which is consistent with Langowitz and Minniti (2007)

and findings that high self-efficacy is positively related to women's propensity to start new businesses. Their skills and abilities to grow their businesses were anchored in their self-efficacy. It was observed from the analysis that entrepreneurs from the manufacturing and service industries exhibited relatively similar self-efficacy. However, entrepreneurs in conventional industries for women such as boutiques, hand-crafted items and the food industry demonstrated higher self-efficacy in product differentiation, planning and organisation of resources. Entrepreneurs in unconventional business sectors such as decorative glass, leather, fibreglass, recycled metal and engineering acquired industry specific education, training or experience either from family or professional institutions who exhibited higher self-efficacy in opportunity recognition.

The women entrepreneurs in this study manifested a great degree of confidence in having the necessary skills and abilities relating to the growth performances of their firms, as well as encouraging them to accept greater challenges. Educational levels as well as previous professional experiences also had a positive influence on growing their SMEs. Fourteen among the sixteen case study entrepreneurs graduated from universities. Industry specific education and training were more common among service firm owners, compared to manufacturing firm owners. Those who did not have industry and professional knowledge were successful in overcoming this shortage by training themselves. Whether they had professional training or not, these women entrepreneurs were very conscious of the significance of their knowledge, training and experience for the consequent successful growth that their firms enjoyed.

Growth aspirations

Growth aspiration was an important contributor towards the subsequent growth of the women's businesses. The results identify the high growth aspirations of these women entrepreneurs which were also influenced by their abilities and skills. Employment related growth aspirations were found among five manufacturing SMEs and four service providing SMEs. These nine entrepreneurs intended to increase the number of employees in a specific period of time which implies that 56 per cent of growth oriented women entrepreneurs had employment related growth

aspirations. All sixteen entrepreneurs had growth aspirations with regards to sales revenue. However, the small firm owners had higher employment related growth aspirations compared to that of the medium firm owners, which is consistent with Bager and Schott (2004). As an entrepreneur's growth aspirations are made up of the individual's own anticipations, perceptions and estimations, strong entrepreneurial aspirations among these growth entrepreneurs originated from the context in which they were embedded. Based on the results of this research, it is evident that the growth of these firms was built upon the mindset of these well-educated individuals who clearly understood the activities to be performed in order to achieve growth and hence take the decision to grow. Supporting Carter (1989) these women entrepreneurs (operating mostly in non-traditional business sectors such as printing, leather, fibreglass and decorative glass manufacturing) were achievement oriented and exhibited high growth aspirations.

The results show that motivation played an important role in determining firm growth. Previous studies (Rosa et al., 1996; Cliff, 1998) have confirmed that smaller sized women-owned firms have a preference for controlled growth rather than rapid growth. Women placed less value on firm size and growth than men-owned firms (Cliff, 1998). Opposed to that view, this research provides evidence to support Brush et al. (2001) focusing on growth oriented SMEs, with women entrepreneurs that are highly motivated to initiate and secure rapid growth in their firms. Moreover, the findings support Gatewood et al. (2002) who found that women entrepreneurs pursued the action of starting venture creation in order to achieve expected outcomes, such as financial success and autonomy. The findings provide support for the priority emerging for building rapid, but economically sustainable, firm growth and strong economic activities. As opposed to Hechavarria et al. (2012, p. 137), the entrepreneurs in this study are identified with goals and motivations which are "typical of mainstream entrepreneurs". Specifically, these women entrepreneurs were more inclined to pursue economic value creation (for example, achieving efficiency, productivity, profit and growth) rather than social or environmental value creation. Although they relied on a lower level of external sources of funding, which related to the risk of possible loss of control, they were successful in managing uncertainty and as a consequence, achieving desired growth

for their firms. Additionally, they had high expectations of growth. This finding is consistent with Du Rietz and Henrekson's (2000) argument for women being more motivated by profitable growth, rather than growth for growth's sake.

6.3.2 FIRM ENVIRONMENT

The firm environment is built with entrepreneurial abilities, managerial capabilities, technical abilities and the past experiences of the studied SMEs. The availability and quality of these elements determines the firm's ability to achieve growth. The firm's decision about identifying and acting upon a productive opportunity in the market is largely shaped by its internal capacity. It is evident from the studies that the above mentioned elements of firm environment (except for past experiences), were adapted, elaborated on as well as improved, according to the growth requirements of the SMEs.

Entrepreneurial abilities

Most of the entrepreneurial abilities of the studied SMEs were found to be similar. However, a few qualities were unique to specific entrepreneurs in fashioning the firm environment. These women act in and are part of a similar society in which growth opportunities prevailed. What all these successful women entrepreneurs had in common was that they recognised a market opportunity when it occurred and single-mindedly pursued the opportunity. In some cases they even created the market opportunity with their ability to innovate to create new products. For instance, RSM2's ability to create an opportunity for fibreglass fittings when such products did not exist in the market expanded the firm's growth propensity. In this case, RSM2's imagination and vision were also of immense importance. Her intuition and perception about the opportunity broadly determined SM2's success. These abilities were also demonstrated by RMS2 and RSS4, considering she introduced floral decoration-based event management and an airport shuttle service for the first time in Bangladesh.

The entrepreneurs' ambition to grow their businesses was a critical determinant of their firms' growth. These growth ambitions were engraved in the firm's

environment and culture as the entrepreneurs moved through different phases of their lives. The case study entrepreneurs felt a strong urge to build a growth oriented profitable organisation and they were successful in putting these urges into practice. Their willingness to accept the various risks in return for earning profit or their enthusiasm to experiment to achieve ambitious goals also contributed to the process of firm growth. For example, RMM2 accepted the associated risk and dared to invest in export oriented ready-made garment manufacturing back in the early eighties when little was known about it. Besides the above mentioned entrepreneurial qualities, some of them were innovators from discrete points of view and their successful innovations added to the economy. This was exemplified by RMM1 who was an innovator from the point of view of reducing production cost by using low cost Japanese, instead of expensive German machines. Likewise, RMM3 was an innovator in creative design, as she manufactured a unique form of product by mixing leather with jute. This form of production reduced the cost of producing by decreasing material cost and gave the product a different appearance which was much appreciated in the market.

Managerial abilities

Once the decision to start a new venture was made, some of these entrepreneurs focused on building a management team within a strong growth-oriented firm environment. In most of the cases (MM1, MM3, SM1, SM3, MS1, MS2, MS3, MS4, SS1, SS2, SS3 and SS4), the entrepreneurs worked alone for a period of time while the venture started to take shape. In other cases (MM2, MM4, SM2 and SM4), management employees were hired immediately. Some entrepreneurs drew on their network of contacts in order to identify suitable management personnel for key positions. For example, MM2 hired management staff with attributes, skills and experience from RMM2's network of contacts. Moreover, in most of the SMEs (MM2, MM4, SM1, SM2, MS1, MS3, MS4, SS1, SS3 and SS4) training improved managerial competence. Regardless of how managerial capacity of the firm was built or improved, consistent with Penrose (1959), these firms were viewed as a collection of productive resources organised in an administrative framework for the purpose of producing products or services at a profit.

The managerial capacity of a firm led to firm growth by pursuing productive opportunities in the market. The case study results in this study support Penrose (1959) who argues that managerial services administer the routine functions of the firm which facilitate profitable execution of productive new opportunities. However, these opportunities are pursued through a set of expansion strategies and substantial managerial capacity is essential for effectively implementing such strategies. Expansion strategies include introduction of new products, product differentiation, and geographic expansion.

Technical abilities

Technical knowledge and abilities were core assets in the firm environment for seven of the case study SME growth firms. For example, as a leather product manufacturer, MM3 owner's technical abilities were related to technological discoveries in the form of combined materials (leather and jute) for production. for the same applied to MM1, MM4, SM2, MS2, SS1 and SS2 where technical abilities were related to the ability of the entrepreneurs and their staff to recognise unexploited market opportunities and to successfully exploit them through venture creation or sometimes by creating market opportunities through innovative new products. These results support Shane (2000) who stresses the importance of technical abilities for enhancing the firm's ability to identify market opportunities.

Past experiences

Growing a firm is a complex task and entrepreneurs who were previously employed as managers (MM4, SM3 and SS2), or had previous start-up experience (MM1), effectively organised heterogeneous inputs and resources in the production process of products and services. For example, MM1 owner's prior entrepreneurial experience had strengthened that firm's entrepreneurial ability by improving performances in achieving a distinctive advantage. With prior entrepreneurial experience RMM1 was familiar with the entrepreneurial process. Given that, she was less prone to costly mistakes than founders new to the entrepreneurial process. These results are consistent with Heirman and Clarysse (2005) who argue that firm growth is influenced by the entrepreneur's experiences. Further, owners of MM4, SM3, MS1, MS3, SS2 and SS4 had experience in the same industry as their current

venture, thus they had a better understanding of the distinct nature of their respective industries. For instance, by working in the hospitality industry for four years RSS4 established and developed a network of industry contacts. Similarly, MM4, SM3, MS1, MS3, SS2's founders with management and entrepreneurial experiences were endowed with many of the skills needed to exploit or create a new market opportunity such as planning, decision making, problem solving and negotiating, which enhanced the probability of the growth of their firms. These results support Bonaccorsi and Giannangeli's (2010) claim that an individual with prior experience in the same industry is positively related to firm growth.

6.3.3 EXTERNAL ENVIRONMENT

This research suggests that the studied growth oriented women entrepreneurs are motivated by pull factors, mostly by market opportunities. Contrary to previous findings (Das, 2000; Tambunan, 2009) indicating that women entrepreneurs in developing economies are necessity-driven, the case study results demonstrate that recognition or creation of market opportunities characterise the key motivation for entrepreneurial activity among these women entrepreneurs. During gradual economic growth of the country, consumers' level of disposable income improved. With higher income, people were inclined to buy more products and services for improving their standard of living. As a result, numerous opportunities were created in the economy, which acted as one of the most significant drivers of growth for these women-owned firms.

An increase in disposable income has led to an increase in the demand for greater variety and higher quality products and services. This was the case for MM4 and other luxury product manufacturers as well as service providers. For example, more income has led to an increase in new housing construction. This resulted in an increased demand for the products and services of MM4, SM2 and SS2 such as fibreglass bathroom fittings, decorative art glasses and architectural consulting. With increased income, people were more persuaded to use new services such as decorative flower arrangements (MS2), educational and training institutes (SS3), and airport shuttle services (SS4). Similarly, as more women entered the workforce

their related increase in disposable income increased the demand for products such as designer clothes (SM3 and SM4), fancy leather products (MM3) and beauty care services (MS1). The persistent increase in restaurants in the urban areas was due to the fact that people became more and more busy and developed more sophisticated tastes for food, which led MS4 to grow in a short span of time.

The rapid pace of technological change has also merged with economic and social changes. For example, although the creation of the mobile phone was technological advancement, it was driven by an increase in the use of mobile phone technology by the Bangladesh population; which was the case for SS1. A change in government regulations for encouraging exports of ready-made garments provided the basis for MM2's business opportunity. With gradual economic development, societal norms and practices were also changing which had positive implications for the nature and extent of women entrepreneurship, especially in urban areas of Bangladesh. In this context, social contacts and family resources also gained importance for opportunity recognition and for new venture creation and subsequent firm growth.

The existence of uncertainty and risk was considered an aspect of the external environment by the entrepreneurs. Growth plans were based on expectations with considerations and estimates of various possible outcomes. Strategies were employed in order to minimise risks associated with growth actions undertaken by the firm. For example, the owner of SS1, as an installer and supplier of telecommunication equipment maintained a strong network of contacts in order to obtain specific types of information before acting upon particular growth strategies. The firm's internal entrepreneurial, managerial and technical competences were combined with continuous learning as an indirect measure of risk management. These firms were able to exist with uncertainty and accept it, but also to be optimistic and confident in their managing this uncertainty by continuous learning. However, the majority of them held optimistic perception of the situation. In the external environment, more opportunities were perceived than threats. This perception was largely based on the firm's internal capabilities rather than weaknesses.

6.3.4 GROWTH RESOURCES

Each of these sixteen growth SMEs had varied sets of resources which provided a unique advantage over competitors. This is consistent with resource-based theory, which holds that a firm's unique bundle of resources contributes to its competitive advantage (Penrose, 1959). However, it is evident that, different inputs result in different outputs which eventually determine the actual size of the firm. This finding is also consistent with the resource-based approach which argues that differences in resource inputs lead to differences in performance outputs. According to Penrose (1959), the entrepreneur's objective is profitable growth. Consistent with this, from a resource-based perspective, these women entrepreneurs were managing their resource inputs productively. They were successful in assembling, developing and transforming necessary resources with regard to generating unique capabilities for achieving competitive advantage. Resources included financial resources, social resources, organisational resources, physical resources and human resources. This research supports Brush et al. (2001) argument that the firms experience growth are those that master and apply their resources most effectively.

Financial resources

With regard to financial resources acquired, this research supports previous findings (Boden and Nucci, 2000; Coleman and Robb, 2012) indicating that women are likely to initiate entrepreneurial activity with lower levels of start-up capital formed with family resources and personal savings. However, this research contradicts the findings of Carter and Allen (1997) and Gundry and Welsch (2001) that firms raising smaller amounts of internal capital have a lower level of performance and growth. Only three of the sixteen owners obtained large and formal external funding, which reiterates Coleman and Robb (2012) finding that women are less likely to use debt financing. Still they were successful in achieving growth. This also echoes the findings of the Zohir and Greene's (2012) study on women-owned SMEs in Bangladesh. The case study results endorse that savings provided the major source of start-up capital, whereas internally generated profit surpluses provided the major source of growth capital for these sixteen women-owned SMEs.

Social resources

This research identifies the significance of networking in the growth process of women-owned SMEs. Women entrepreneurs emphasise integrated networks and value both formal and informal relationships. The results recognise no significant gender difference in the entrepreneurs' networks, indicating the same proportions and density of female and male support. Women entrepreneurs built various forms of social and business networks which included family, friends, relatives, supporters as well as professional advisers (both male and female, as they tended to consult both women and men for assistance). This result is contrary to the gendered management network studies reporting higher number of women in the networks of women entrepreneurs and a higher presence of males in male entrepreneurs' networks (Burke et al., 1995; Klyver and Terjesen, 2010). However, consistent with Moore and Buttner (1997), this research reports the dynamic nature of entrepreneurial networks, identifying changes in networks over time as the entrepreneurs move forward in the venture development process.

Throughout this entrepreneurial process, these women entrepreneurs developed networks to acquire start-up resources for creating new ventures. In the start-up stage, networks consisted mainly of family, friends and mentors providing both emotional and instrumental support; including encouragement for starting the business, providing start-up capital, sharing household work responsibilities, obtaining office space and business registration. In the later stages of the venture, as the entrepreneurs' seek new resources, they tend to access more business relations. Networks were changed and upgraded to professional sources of information in order to acquire sustainable competitive advantages. In this stage, entrepreneurs seek support for making decisions about market opportunities and innovations. They were more inclined to establish international contacts and seek advanced knowledge in technology as well as upgraded management practices. Moreover, these entrepreneurs considered the associations of women entrepreneurs (and professional support provided by them such as consultancy or training) to be important support mechanisms which echoes Byrne's (1971) claim of the influence of similar beliefs, values and activities in networks.

Human resources

Another finding emerging from the cross case analysis is that, the human resources operated in some way to enable the growth of the SMEs under study. A people oriented culture was built upon interpersonal trust, respect, sharing and helping others within the firm. Employee performance and effectiveness were improved initially by providing appropriate training and at a later stage by utilising various instruments of encouragement. Managerial personnel achieved necessary experience by working within the particular environment of the firm. This approach is consistent with Penrose's (2009) argument for emphasising the importance of the experience of management personnel. In some cases, already trained and experienced managers were recruited in order to suit required positions. The managerial experiences, whether gained through operations within the firm or achieved through recruitment of experienced managers, increased the firm's ability to utilise productive resources for attaining a desired goal.

Physical resources

The findings of this research highlight the significance of a SME's tangible property in their growth process. For instance, MM2 (as an export oriented garments manufacturer) identified its manufacturing plant as one the most important resources, which was designed to comply with the requirements for responsible manufacturing as per foreign buyers' demand. MM2's the manufacturing unit was equipped with an independent quality control cell (Computer Aided Design CAD) for pattern making and a R&D cell for improving work method, efficiency and productivity.

Apart from the operating plants and equipment, location and the amenities available at that location were other important determinants of firm growth. The critical importance of selecting the right location for the growth of service SMEs was evident in the findings. These service SMEs were located where existing markets were such that they maximised the opportunities. Manufacturing SMEs (specifically medium-sized) located where they could acquire the raw materials as well as skilled and low cost workers for the purpose of adding value to the firm's existing resources and technological base. For both the manufacturing and service SMEs, operating

locations were selected based on the availability of resources required for growing the firms.

Organisational resources

The case study SMEs and their entrepreneurs value their organisation's culture, which includes norms, policies and guides for personnel behaviour. The firm's structure (consisting of reporting systems, information generation and decision-making systems) also contribute towards achieving growth. For example, in MS3 (being an advertising agency) the owner promoted a simple organisation structure which supported quick decision making, as well as frequent dissemination of information.

All the firm growth resources (financial, social, human, physical, organisational) identified have been pulled together by the entrepreneurs to develop the growth actions and strategies discussed below. These actions and strategies have been implemented as growth processes by the case study SMEs.

6.4 GROWTH ACTIONS AND STRATEGIES OF WOMEN-OWNED SMEs

The case study results inform on the growth actions and strategies undertaken by the women entrepreneurs for achieving growth in manufacturing and services SMEs. The growth strategies of these SMEs are explained as entrepreneurs' decisions that were guided by growth opportunities in the market. In doing so, thirteen entrepreneurs pursued growth strategies without seeking external funding. Rather they preferred to draw only a little on profit for personal consumption and consequently reinvest their profits in their firm's growth. Financial and investment decisions of all sixteen firms were determined by their goal to increase total long term profit that would yield a positive return, enabling them to take advantage of profitable growth opportunities available to them. Profits were primarily sought for the sake of surviving in the industry and later with a view to reinvesting in the firm. Therefore, consistent with Penrose (2009) an increase in total long term profits of these SMEs was equivalent to an increase in their long term rate of growth.

Increasing the rate of growth was an important objective of these firms and their growth inducing strategies had produced positive results.

The research findings associated with the process of growth of women-owned SMEs can be grouped into five main categories – improving product or service quality, reducing cost of production, achieving technological advancement, developing new product or service, and expanding existing market. Their pace of growth and direction varied depending on the extent to which they could act upon profitable growth opportunities and commit resources for the purpose of investigating possible avenues of growth. Some of the growth actions and strategies were common among more than one firm, whilst some were unique to a particular firm. However, the entrepreneurial decision to investigate growth opportunities was common among all the sixteen SMEs studied.

Figure 6.1 sets out a summary of growth actions and strategies undertaken by the sixteen SMEs led by women entrepreneurs. It revisits the material presented in Chapter 5. It seems that the women entrepreneurs were actively engaged in specific strategies and actions to grow and expand their firms. Each of these growth strategies was carried out as a growth process which involved a set of growth decisions. The first column relates to activities undertaken for the purpose of improving the quality of product or service. The second column shows cost reducing strategies, followed by the third column that describes activities undertaken for achieving technological advancement and technical innovation. New product and service development strategies are listed in the fourth column. The fifth column identifies market expansion strategies across the sixteen SMEs studied.

Figure 6.1 Growth actions and strategies of women-owned SMEs

Quality improvement	Cost reduction	Technological advancement & innovation	New product development	Market expansion
Skill development: MM2, MM4, SM1, MS1,MS4, SS1 Product differentiation: MM1, MM3, SM1, SM3,MS2, SS2,SS3,SS4 Process improvement: MM1, SM1 Customer-focus: MM1, MS3, MS4, SS3, SS4 Motivate human resource: MS1,MS4,SS1	Local sourcing of materials: MM2,MM3, MM4,SM1, SS2 Low-cost machinery: MM1 Control expenditure: SM1,MS1, MS3	Inventory system:MM2 Creative team: MM1 Machinery: MM1, MM4 Materials: MM3, SM2	Introduce new product/ service: MS1, MS3, MM4, SS1, SS4 Adding new products to existing lines: SM3, SM4, SM1, SS1 Customisation: MS2, SM3	Market promotion: MM1, MM3, SM1 Geographic expansion: MM4, SM3, SM4, MS1, SS1, SS4 Agreement & affiliation: MM2,MM4, SM2, MS3, SS3,SS4 Export: MM1, MM2, SM1

Growth actions and strategies of women-owned SMEs

In terms of growth strategies, based on the firm's internal capabilities and resources, the choices of actions of each of the sixteen SMEs were different. A close investigation of Figure 6.1 elicits some emerging patterns. Most significantly, 15 of the SMEs have applied strategies for making 'quality improvement' a source of sustainable competitive advantage (only SM2 did not apply such a strategy). Market expansion was the second most commonly used strategies; as 13 of the studied SMEs achieved growth through market promotion, geographic expansion, exports and affiliation with other firms. Cost reducing strategies were implemented by eight firms, most in manufacturing (all four MMs and one SM) and particularly through local sourcing of raw materials. New product development strategies were

undertaken by nine SMEs aimed at achieving growth in existing markets by introducing a new product or adding new features to existing products or services. More fundamental technological innovation was embarked on by only four SMEs (with MM1 applying two strategies). This use of technology to achieve advancement or innovation was the most rarely used growth strategy; and notably only adopted by medium-sized manufacturing firms. The following sections explain each of these growth strategies in more detail.

6.4.1 IMPROVE PRODUCT OR SERVICES QUALITY

The research findings in relation to growth processes of the case study SMEs identify a number of strategies implemented by all sixteen women entrepreneurs for improving the quality of products or services, including: skill development of self as well as employees' by local or overseas training; improving processes by using unique combinations of materials; and by improving customer service by emphasising customer responsiveness.

Skill development

In six of the SMEs (MM2, MM4, SM1, MS1, MS4, SS1) the entrepreneurs believed in drawing on extraordinary performances from their employees in order to achieve improved performance. Thus, they implemented a strategy of skill development to a great degree. Due to low skilled workers, these SMEs initially focused on simple forms of production and service. To improve product and service quality, local and overseas training were arranged for the workers and managers to develop their level of skills. The results illustrate that these women entrepreneurs were engaged in the strategy of skill development for facilitating firm growth. The results concerning these six SMEs are consistent with Bartel (1994) and Westhead and Storey's (1996) findings that training yields substantial productivity gains and is crucial for firm growth.

Differentiation

Eight SMEs (MM1, MM3, SM1, SM3, MS2, SS2, SS3 and SS4) used differentiation as a strategy for achieving firm growth. For instance, MM1 formed a creative team of

artists in order to ensure innovation-based differentiation of its products. Similarly, MM3, as a leather product manufacturer, combined jute with leather for products which positively influenced sales growth. These results from eight SMEs support Baum, Locke and Smith's (2001) argument that firms following differentiation strategies through quality or innovation achieve higher growth.

Process improvement

Two of the SMEs (MM1 and SM1) achieved improved performance by improving their process of production. The results determine that, new production equipment was added and production processes were upgraded as a strategy of process development in order to improve the competitive position of the firm in the market. Supporting Aghion and Howitt (1990), who stress the importance of innovation for firm growth the results from two manufacturing firms demonstrate that improvement in production process facilitated firm growth.

Customer orientation

Five of the case study SMEs (MM1, MS3, MS4, SS3 and SS4) reported that they obtain and use information from customers about their requirements for developing new strategies to design products and services in order to satisfy the customer needs. By doing this they were successful in delivering high quality products and services to customers, which eventually enabled them to achieve a sustainable competitive advantage for achieving firm growth. These results limited to five SMEs are consistent with Appiah-Adu and Singh (1998) who confirm improved customer orientation positively influences an SME's performance.

Employee motivation

Skilled workers, administrative, technical and managerial employees represented a substantial investment by all the case study SMEs. As Penrose (2009, p. 22) states "...the firm suffers a loss akin to a capital loss when such employees leave the firm at the height of their abilities". Consistent with this, three case study SMEs (MS1, MS4 and SS1) relied heavily on high employee commitment to keep their performances on track in terms of their business growth. These SMEs focused on employee relations and practiced embedded reward systems for remunerating employees. SS1

and MS4 used verbal appreciation, awards and certificates as part of recognising good employees. Bonuses and salary increments were used in MS1 as instruments of encouragement. The results of these three service providing firms endorse Bacon and Hoque's (2005) findings that women entrepreneurs use management practices which focus more on building social capital.

6.4.2 REDUCE COST OF PRODUCTION

In order to achieve a competitive advantage, eight of the case study SMEs pursued cost reduction strategies. These strategies provided ways to reduce costs by making or delivering more products or services by: replacing expensive foreign materials with local sourcing of raw-materials; using low cost machinery; and controlling expenditure.

Local sourcing of materials

In two SMEs (MM2 and MM4), lower costs of production were achieved by replacing expensive foreign raw material suppliers with low cost local suppliers. In these cases, entrepreneurs were conscious of not compromising on the quality of products. For example, MM4 (as a decorative glass manufacturer) and MM2 (a ready-made garments manufacturer) significantly reduced their dependency on imported materials by engaging with suppliers from local markets. However, three other SMEs (MM3, SM1 and SS2) have been using low cost local raw materials from the beginning as a measure of achieving efficiency.

Low-cost machinery and equipment

In MM1, instead of a high quality German printing machine, a Japanese printing machine was used (as a low cost option) without affecting the quality. This was one of main strategic investments of MM1 which significantly influenced efficiency. This result is comparable to Ebben and Johnson (2005) who argue that low cost strategies assume a central role for SMEs. This is also consistent with Leitner and Guldenberg's (2010) claim that cost-efficient production is an important requirement for achieving firm growth.

Control expenditure

Three SMEs (SM1, MS1 and MS3) have implemented efficiency strategies of controlled expenditure for achieving a competitive advantage. For instance, SM1, as a recycled metal producer, initially focused on only a few products as the core offerings of the firm, which was combined with simpler production scheduling. A similar strategic approach was also adopted by MS1 and MS3, using more accurate cost estimates and pricing for maintaining profitable margins.

6.4.3 ACHIEVE TECHNOLOGICAL ADVANCEMENT AND INNOVATION

The level of technological development influenced SME growth. In most cases technological development was implemented as a strategy for competing successfully and maintaining a leading position in the market. The following measures of technological development resulted in substantial changes in the products and services of the studied SMEs.

Inventory system

In the quest for improved manufacturing efficiency, MM2 implemented an advanced inventory system that linked orders and inventory to streamline the firms order processing, production and stock keeping capabilities. As a ready-made garment manufacturer, MM2 achieved a significant development in the manufacturing process resulting in inventory savings and reduced unit cost of production which concurrently improved the firm's competitive position in the market.

Creative team

As a printing company, MM1 formed a team of creative artists which increased the possibilities of innovation within the firm. With an improved creative team performance rose and MM1 designed a variety of new products. In this case technological development was achieved through improved human resources which, in the course of time, led to increased sales revenue.

New machinery and equipment

Two medium-sized manufacturing firms (MM1 and MM4) improved their productive capacity by adding new machines and equipment. For MM1, new printing machines significantly outperformed the older machines, which also complimented the creative team of artists. In MM4 the process of production improved from simple to advance by adding new and improved machinery.

Combination of materials

In MM3, a leather product manufacturing firm, technological economies were achieved when production cost were reduced through a unique combination of jute and leather. Based on the same technology, MM3 produced a wide variety of products for the market just by the alternative use of existing resources. This unique combination of materials attracted buyers and increased sales. Although this innovation was copied by competitors later on MM3 had the first-mover advantage, which ensured growth for a considerable period of time.

6.4.4 DEVELOP NEW PRODUCT OR SERVICE

The strategies implemented and activities performed by the SMEs can be distinguished by their relation to the introduction and development of new products in the market or on the adopting of new features to existing products or by customising products according to customer requirements.

Introduce new product or service

New product development involved creating and selling new products and services in order to increase revenues. For example, MS1 as one of the first beauty care service providers was successful in identifying a need which was unfilled. The same was the case for MM4, MS3, SS1 and SS4. MM4 introduced crafted art glasses, MS3 filled the gap in an advertising agency, SS1 became the source of strong technical support to mobile operators and SS4 introduced an airport shuttle bus service.

Adding new products to existing product line

Adding related new products or services to existing product or service lines was another approach implemented by four of the SMEs. For example, as fashion cloth manufacturers, once the theme-based cloths of SM3 and SM4 became popular in the market new products such as leather accessories, footwear, traditional jewellery and home decorating items were added to the product line. Similarly, SM1 added recycled glass products with recycled metal products in order to increase revenue generation. Also modifying an existing product or service by adding new features was less expensive for an SME than to develop a new product or service from scratch. This was the case for SS1. As a technical service providing firm, SS1 started installation and maintenance of microwave equipment for various mobile operators. The firm increased revenue by adding new services such as installing, testing and maintaining mobile frequency towers as well as microwave equipment for mobile operators.

Customisation

The flexible and diversified nature of two case study SMEs (MS2 and SM3) allowed them to be more responsive to individual customer needs. For example, as an event management firm specialising in floral decorations and landscaping, MS2 ensured customisation in each design, which was a significant competitive advantage. Similarly, the theme-based tailor-made outfits and jewellery of SM3 were uniquely designed and limited to two copies only for maintaining their authenticity. The results limited to these two SMEs are comparable to Cohn and Lindberg (1972) who stress that, compared to larger firms, SMEs can be more responsive in providing made-to-order products and services.

6.4.5 EXPAND EXISTING MARKET

The research findings with regards to market expansion highlight that, in order to achieve business growth, these women-owned SMEs applied a number of strategies to expand their existing market. Their growth processes were designed based on the following market expansion actions and decisions.

Market promotion

Three of the case study SMEs (MM1, MM3 and SM1) pursued market promotion activities in order to gain customers' attention. For example, MM1 (a printing company) was engaged in building public relations with an effort to establish and maintain MM1's image with the public. Annual painting competitions were arranged for children and the winners' paintings were printed in the forthcoming year's calendars, notebooks and diaries. Participation in trade shows was another market promotion activity, commonly pursued by these three SMEs in order to increase awareness of their products and services, as well as attracting media audiences.

Geographic expansion

Six (MM4, SM3, SM4, MS1, SS1 and SS4) of the case study SMEs grew by expanding from their original location to additional geographic sites. All these SMEs expanded by operating through added showrooms or outlets in order to accommodate customer growth. New outlets initially required more attention and nurturing compared to the already established outlets. However, business learning from the success of initial locations was successfully applied to the new sites.

Agreement and affiliation

Among the case study SMEs, six (MM2, MM4, SM2, MS3, SS3 and SS4) utilised arrangements and affiliations with other firms as a strategy for achieving firm growth. These arrangements were considered as a means of gaining mutual access to resources such as technology, markets and information, as supported by Penrose (2009). For instance, MM2 contracted with a commission agent for acquiring raw materials as well as securing sales of finished goods. Similarly, the growth potential of MM4 was considerably increased when it signed an agreement with a North American art glass manufacturer, which provided specific technical skills to MM4. MS3 also affiliated with a large multinational company, which ensured regular revenue and enabled MS3 to grow. As an education institute, SS3's affiliation with the state-owned university brought recognition and an increased number of students. In the same way, SS4 (as an airport shuttle service), contracted with some of the major airlines for carrying their crew and passengers, which ensured a steady flow of passengers and, therefore, facilitated firm growth.

Export

Despite vast growth potential associated with international expansion only three (MM1, MM2 and SM1) SMEs pursued exporting as an action of firm growth. Given the large scale opportunity of the global market, these growth seeking firms were exporting outside Bangladesh. MM2, as a ready-made garments producer, acquired its first export order through a commission agent. SM1, as a recycled metal product manufacturer, started exporting products overseas by responding to a foreign buyer's query. For MM1, a printing firm, this process started with sending business proposals to multiple foreign firms, which eventually secured some export orders.

All the above growth actions and strategies described above indicate clearly the type of actions these firms under study have taken to ensure growth is secured. In the following section, the conceptual framework has been revisited for the purpose of accommodating the research findings of this study and answering the specific research questions.

6.5 REVISITING THE CONCEPTUAL FRAMEWORK

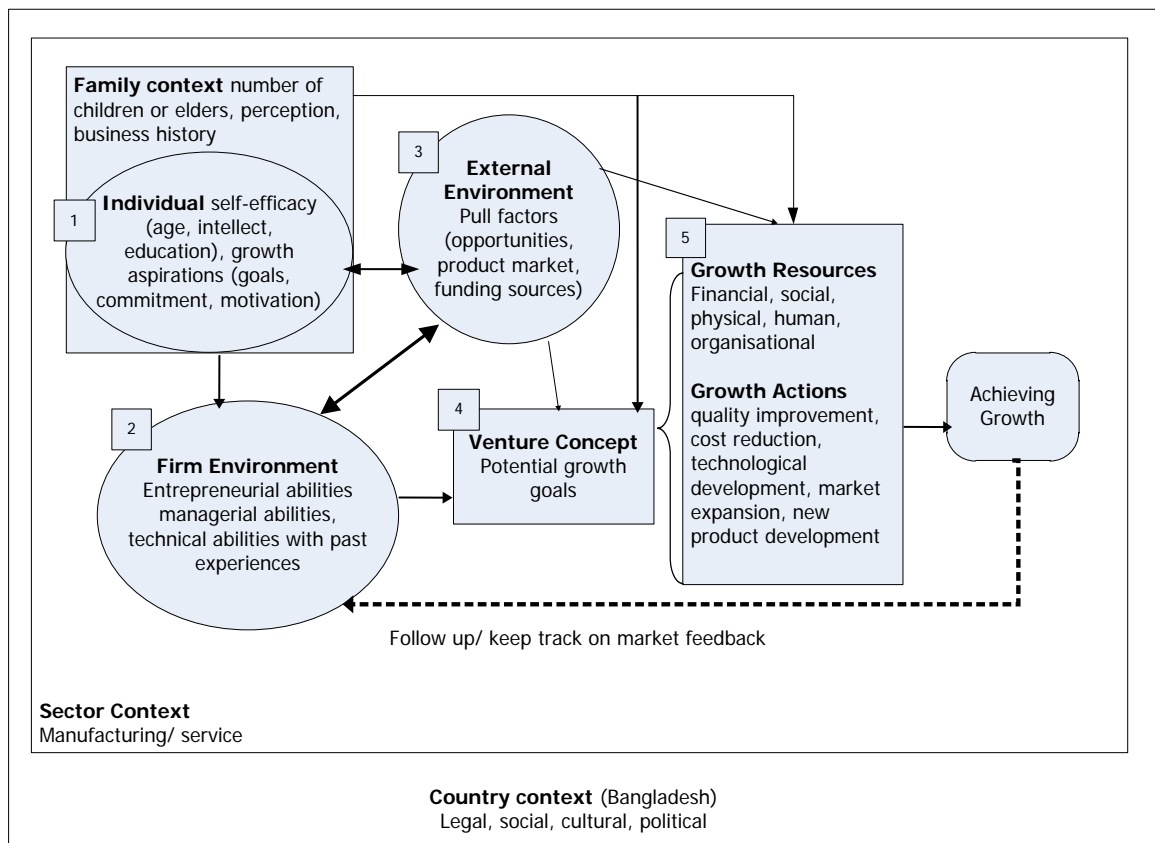
This section is developed in relation to the growth processes of women-owned SMEs in Bangladesh by revisiting the conceptual framework in light of the case study results. Building on an extensive review of the prior literature, the conceptual framework provided an opportunity to analyse the growth experiences of women-owned SMEs. Based on Brush et al.'s (2010) growth model, the conceptual framework was modified with elements from Penrose's (1959) growth process. As noted in Chapter 2, the interdisciplinary framework encompasses several paradigmatic positions in analysing growth. As a practical representation of women-owned SME growth in Bangladesh, this conceptual framework encapsulates the complex interplay of factors, resources and approaches within the industrial and national context that combine to generate SME growth.

The research questions identified in Chapter 1 required research based on empirical evidence to be assessed by a conceptual framework for women-owned SME growth.

The results of the case study analysis provide support for the argument that a multidimensional framework of analysis can appropriately characterise growth oriented women-owned SMEs for understanding the phenomenon.

The case study results and analysis above validate the interdisciplinary conceptual framework for women-owned SME growth proposed and also allows for one further modification of the framework (in the context of the external environment) to enhance its applicability for a growing economy like Bangladesh. The framework of analysis (Chapter 2, Figure 2.3) embraced the interplay between individual, internal and external factors as well as between cultural, social, legal and political institutional contexts. However, in revisiting the conceptual framework, it was evident that the model, especially factors related to the external environment, needed modification. The nature of the modification relates to limiting the influence of necessity-driven push factors and emphasising the significance of pull factors. This revised representation of the conceptual framework adds the role of opportunity-driven impetus to the portrayal of contextual effects, influential factors and a representation of growth strategies and approaches which a women-owned SME progresses through as it develops from start-up to growth.

Figure 6.2 Revisiting the conceptual framework



The change in the conceptual framework that has emerged from the data indicates that external market opportunity is the key element in this business growth model. No evidence was confirmed with regards to the influences of necessity-driven push factors from the external environment; such as financial crises, loss of job or husband's unemployment. The empirical context of this research was growth oriented women-owned SMEs in the growing economy of Bangladesh and this study demonstrates that opportunity-driven pull factors played a significant role in growing these case study SMEs. The opportunities were created by a number of market trends and were embedded within a broader context of the growing economy of Bangladesh.

The entrepreneurs' decisions about venture creation were largely shaped by the availability of alternative opportunities in the developing context. Evidence from the case studies indicated that growth goals and objectives were achieved through growth actions and strategies and in some cases by adopting changes in those growth actions and strategies.

The consideration of risk and uncertainty also had an impact on the growth propensity of the studied SMEs. Information was obtained from business networks and scenarios examined for addressing risk management before acting upon growth strategies. The firm's internal capabilities, such as managerial and technical knowledge and experience, were also combined with continuous learning for building scenarios and addressing uncertainty. The combined emphasis on the interactions between factors in the broader sectoral as well as institutional context, as set out in the revised conceptual framework, make risk and uncertainty manageable and appropriate for such growing SMEs within the developing economy of Bangladesh.

6.5.1 FOLLOW-UP MARKET FEEDBACK

To be more resonant with environmental conditions, the iterative nature of this framework allowed SMEs to act through market signals and re-evaluate the issues appropriately. Nine (MM1, MM4, SM2, SM3, MS1, MS3, SS1, SS2, SS4) SMEs followed up on market feedback. For example, MM4 (a decorative art glass manufacturer) continued market research after a new product was launched and incremental judgements were made when appropriate. Ongoing retesting of the idea was maintained in order to ensure that it continued to fill consumer needs. In MM1, market follow up was conducted differently; the annual growth plan was assessed at the end of each year. As a part of MM1's moving plan, constant adaptations were made within the firm to keep up with environmental changes. Whenever, the environment changed, the product offerings were changed, or at least a few product features were altered, in order to remain relevant and competitive in the market. Then growth goals and growth actions were revised with flexibility and shifted to the next year accordingly. All the SMEs also made an effort to alter internal environmental conditions necessary for the success of their growth actions. As with MS1 (the beauty care service provider) prices were improved, and in some cases customer services were improved as a measure of following up market feedback on newly introduced services.

Building on the research findings and the modified conceptual framework, the following section returns to the research questions identified in Chapter 2 and provides answers that address this significant issue of urban-based women-owned SME growth in the developing economy of Bangladesh.

6.5.2 ANSWERING THE RESEARCH QUESTIONS

This research aimed to investigate the growth experiences of women-owned SMEs to enhance our understanding of the growth process of these ventures (operating within the context of a developing economy like Bangladesh) in the light of the framework of analysis. It emerged from the review of prior literature that there is a need for a holistic representation of growth process in SMEs. In order to gain insights into the processes of growth, particularly with reference to women-owned Bangladeshi SMEs, a set of two research questions were formulated. The specific focus was to understand why and how women-owned SMEs grow in Bangladesh. As the research focused on only sixteen case studies of successful women entrepreneurs, no empirical generalisation should be made from the results.

Research Question 1 (RQ1)

The first question is related to determining the factors in the process of growth of women-owned SMEs in Bangladesh.

Which factors influence the process of women-owned SME growth, specifically in the context of the developing economy of Bangladesh?

This question has been answered based on the findings in Chapter 5, as well as the discussion and the specific framework for growth of women-owned SMEs in Bangladesh in the earlier sections of this chapter. An entrepreneur's individual characteristics, the firm's internal environmental factors and external environmental factors all have an impact on SME growth. The primary determinants of an entrepreneur's individual characteristics are related to their individual self-efficacy and growth aspirations. Self-efficacy includes age, intellect and educational background of the individual entrepreneur. Based on their education and intellect,

both manufacturing and services sector entrepreneurs' demonstrated similar self-efficacy attached to their skills and abilities to grow their businesses. Growth aspiration incorporates growth goals, commitment and motivation towards growth. Economic value creation was found to be the fundamental source of growth aspirations. The entrepreneur's family context played a significant role in shaping the growth trajectory of the studied SMEs. Emotional and financial support from family positively influenced the transition from start-up to growth. An interrelationship was found between the entrepreneur's childhood socialisation process and their individual self-efficacy and growth aspirations. This relationship contributed towards building a robust entrepreneurial perspective necessary for acquiring vital entrepreneurial resources, such as initial capital and business networks.

A firm's ability to respond to market opportunity is grounded in its internal capacity, which is made up of the owner's entrepreneurial, managerial and technical capabilities gained from past experiences. The firm's entrepreneurial capabilities can be broadened to include the ability to identify a market opportunity, entrepreneurial vision and imagination, growth ambition, innovativeness and a willingness to experiment. Managerial abilities were formed by providing training or hiring experienced management personnel who pursued market opportunities through appropriate administration of routine functions. Technical abilities achieved through professional training or work experience improved the firm's growth propensity. Entrepreneurs, managers and workers having prior experience in the same industry were identified as positively related to firm growth.

Opportunity-driven pull factors from the external environment, such as: recognition of a market opportunity; increase in disposable income; advancement in technology; and change in government regulations, anchored the growth of the SMEs in this study. Appropriate location was also ascertained as an important external factor for the growth of service providing SMEs. In these cases, influences of necessity-driven push factors such as a financial crisis, loss of job or husband's unemployment were not apparent.

The firm's growth resources mainly included their financial, social and human resources. Financial resources were mostly acquired through personal and family savings. At later stages, growth capital was generated through profit surpluses. Integrated networks of both formal and informal relationships formed social resources. Professional associations encompassing similar beliefs, values and activities also enriched the social resources of these firms. This does not apply to women only members of these associations but the professional assistance such as training, consultancy provided by them. Human resources in the form of skilled and experienced workforces as well as managers enabled growth by improving employee performance and effectiveness.

Contextual barriers were not sufficient to deteriorate growth expectations of the women-owned SMEs. The gradual economic growth of developing Bangladesh instead contributed the emergence of the firms and their subsequent growth. Besides the national context, the industrial context (especially non-traditional emerging industries such as ready-made garments, leather products, printing and education) also formed a persuasive base for SME growth. However, heterogeneity is also evident among these SMEs. Different firms in different industries were surrounded with different environmental factors and responded differently to those factors.

Research Question 2 (RQ2)

The second research question focuses in the growth processes of women-owned SMEs in Bangladesh.

How do women-owned SMEs achieve successful growth in the growing economic context of Bangladesh?

In support of prior studies, the research findings in Chapter 5, and the discussion in the earlier sections of this chapter, suggest that the growth processes of the case study firms are varied, diverse and numerous. Each firm, with different combinations of capabilities and resources, obtained different growth paths, which also changed over time. This dynamic nature of SME growth is apparent in the

framework developed in this research, which provided a strong basis for understanding and analysing SME growth.

These heterogeneous growth processes were conceptualised as a series of growth actions and strategies (Figure 6.1). Growth was achieved through a number of strategies and approaches in both the manufacturing and service sectors. Growth strategies and approaches were largely shaped by market opportunities which involved improving the quality of product or service, reducing costs of production, achieving technological advancement, developing new products or services, and expanding existing markets. Each of these strategies of SME growth was itself a process comprising a series of actions and decisions. The research identified a dynamic and complex pattern of SME growth confirming the iterative nature of the conceptual framework and interactive connection between components.

The research featured the gradual nature of growth, supported by improving product or service quality that is applied as a measure of improving performance and achieving growth. The SMEs emphasised skill development through training, product or service differentiation, process development, improved customer orientation and employee motivation. Among these five quality improvement strategies, product and service differentiation was applied by most SMEs in this study.

Reduction of costs was another strategic approach resulting in efficiency in production for accomplishing growth objectives. In some of the SMEs production costs were reduced through replacing expensive foreign materials with locally sourced raw-materials. Instead of using high quality expensive machinery, some of the SMEs reduced their cost of production by using low cost machinery and focussing attention to financial control over expenditure. Local sourcing of raw materials was preferred over the other cost reduction strategies.

The level of technological advancement and innovation strategy also influenced firm growth. In order to attain technological advancement a number of strategies were practiced for achieving growth. SMEs manufacturing efficiency was improved

through advanced inventory systems. Productive capacity was improved by introducing new machinery, and technological economy was achieved with the combination of materials. Recruiting a new creative team of artists also provided a significant advantage in encouraging innovation and consequently improving performance.

SMEs acquired successful growth through the implementation of new product development strategies, which included designing and selling new products and services to increase revenues. Some of the SMEs added related new products or services to their existing product or service line. In some instances, new features were also added to the existing products or services. Products and services were also customised based on customer preferences.

In the quest to answer RQ2, the research findings also demonstrated the significance of extending existing markets in the growth process of women-owned SMEs. Market expansion with existing products or services was actualised through: market promotion for increasing customer attention; expansion from original location to additional geographic sites; agreements and affiliations with other firms; and international expansion through export in foreign markets. Among these four market expansion strategies, both geographical expansion and affiliation with other firms were the most commonly applied strategies for achieving firm growth.

This research also highlighted the significance of a dynamic form of growth process. A firm's ability to re-evaluate growth strategies by responding to market feedback represented a more realistic model which is flexible with environmental conditions. The findings suggest that the nature and trajectory of women-owned SME growth in Bangladesh is diverse but simple. Entrepreneurs reviewed environmental factors, their firm's capabilities, resources and market opportunity. Based on their review, growth was achieved through formulation of various growth strategies.

The findings also acknowledge the existence of risk and uncertainty in the growth process of women-owned SMEs. Strategies were adopted (such as obtaining information from networks and drawing upon the firm's internal capabilities) to

reduce negative impacts on firm growth. Another finding emerged from the framework of analysis relating to the external environment which is contrary to prior findings. This research proposes that opportunity based 'pull' factors in the external environment have a greater impact on SME growth than 'push' factors, also increased the applicability of this framework to the growing economic context of Bangladesh.

6.6 SUMMARY

This chapter presents a discussion of the research findings organised around the research questions. It started by evaluating the national and industrial contexts in which these women-owned SMEs are embedded by comparing the research findings with the prior literature. Then it continued to examine the influential growth factors as well as growth actions and strategies derived from the case study evidence. The chapter then revisited the framework of analysis to modify it in the context of the analysis conducted. Finally, this chapter identified how the analysis conducted has contributed to the literature by answering the research questions and providing a significant understanding of urban-based women-owned SME growth in the developing economy context. In the next chapter, the implications of this research will be discussed.

7 CONCLUSION AND IMPLICATIONS

This research endeavours to address the growing interest in the phenomena of the growth of women-owned firms, especially in developing economies.

Entrepreneurship is a critical tool for economic development and women play an integral part in economic progress. However, there is little understanding of the gendered influences on the experiences. With increasing numbers of women starting new businesses, it has become important to gain a better understanding of how to promote female entrepreneurship and facilitate the growth process of their enterprises. Exploring the growth experiences of women entrepreneurs in a setting of an emerging economy, this research has built a more comprehensive picture of growth oriented female-led enterprises.

7.1 INTRODUCTION

The dearth of understanding of the growth of women-owned businesses could limit competitiveness if a country does not recognise the contributions made by women entrepreneurs. Although the Diana International Research Network has contributed much in order to enrich our knowledge about women entrepreneurship, many questions still remain to be investigated in the developing economy setting. This research has attempted to explore these unexplored areas. In doing so, the study has integrated multiple theoretical insights from a range of disciplines in order to better explain the heterogeneous nature of women-owned SME growth.

This research is organised into seven chapters. Chapter 1 provided the background to this study of growth oriented women's entrepreneurship in a developing economy context. It described the research project and justified its relevance. The chapter then identified the aim of the research and suggested that the findings will be of relevance to academics, policy makers and practitioners seeking to better understand the growth dynamics of women-owned SMEs in Bangladesh.

Chapter 2 provided a detailed critique of the academic literature on firm growth and the role of women-owned businesses. Firm growth has received attention from multiple scholarly fields. This chapter started with identifying dominant themes in the firm growth literature, including: growth studies in entrepreneurship; and the growth measurements, stages of growth models, barriers to firm growth, factors and elements (as well as processes) of firm growth. The chapter then focused on the literature central to this research concerning women-owned firm growth in developed and developing economies. Largely based on the International Diana Project, studies on growth variables of female-owned businesses were followed by studies on women entrepreneur's growth strategies and approaches. The contribution by Edith Penrose in the field of growth process was also acknowledged. The chapter then located this research in terms of its relevance and potential contributions. A set of gaps in the existing literature was identified, highlighting the scarcity of research on growth oriented women-owned SMEs.

Based on the gaps in the literature identified, a specific set of research questions was formulated. A conceptual framework was developed that provided a comprehensive way of understanding and searching for further insights into the growth of women-owned SMEs in developing economies. The framework also provided the base for the methodological approach and the collection and analysis of data for the purpose of investigating specific sectors of women-owned SME growth in Bangladesh. Before explaining the methodological approach adopted in this research, a context to this study in Dhaka, the capital city of Bangladesh was set out in the next chapter.

Chapter 3 presented the contextual information covering macroeconomic aspects of Bangladesh in order to provide an understanding of the developing economy of Bangladesh. An historical overview, followed by a macroeconomic description, was provided, which showed a change in sectoral composition reflecting the increased contribution by the manufacturing sector. The contribution of the garments industry and the dominance of male entrepreneurs were acknowledged. The participation of women in society and entrepreneurial activities was discussed. This chapter then recognised women entrepreneur's contribution towards the economic development

of the country. The role of the sixteen women-owned high growth SMEs examined as case studies in this thesis became pertinent from this perspective.

Chapter 4 demonstrated the research approach and methods adopted in this study. This study follows a pragmatic philosophy for approaching the research objective and answering the research questions. The chapter elaborated on Pragmatism philosophy that underpinned the research and illustrated the relationship between this paradigm and the case study method applied in this study. The chapter then continued describing the four-phase research design of this study. It started interpreting the course of implementing research methodology which included identifying, discussing and justifying the sequence of research activities associated with the collection and analysis of data. The chapter then presented a discussion of the research limitations and ethical considerations of this study.

Chapter 5 of this thesis detailed the research findings. It elaborated on the findings from the semi-structured interviews to identify factors assisting SME growth and the actual processes that entrepreneurs studied take for accomplishing growth. These findings emerged from individual case studies which were written up as separate cases of SME growth. These individual case study report write ups are included as Appendix E at the end of this dissertation. The chapter provided a brief history of each SME, their growth patterns and summary tables containing analytical findings relating to growth factors and processes. The results across all sixteen cases were also presented. The results and findings from the chapter provided a basis on which the process of women-owned SME growth was discussed in the next chapter.

Chapter 6 of this thesis discussed growth oriented women's entrepreneurship by revisiting the original research questions in the light of evidence from the case studies. The chapter evaluated the industry and context in which these women-owned SMEs are embedded by comparing the research findings with prior literature. It also examined the influential growth factors, as well as growth actions and strategies, derived from case study evidence. The chapter then revisited the framework of analysis. By answering the research questions, the findings of this research thus fills a gap in the literature.

In this final chapter, conclusions and implications of the study are discussed. The chapter commences by sketching a summary of this research project. It then continues to explore the implications of the research findings, first by highlighting contributions to knowledge made by this research and their implications on the theoretical development in the area of women entrepreneurship. The next section explores the significance of the research findings for policy makers and finally for practitioners. In summing up, from this current research, the chapter identifies emerging avenues of future research opportunities.

7.2 SUMMARY OF THE RESEARCH PROJECT

This research has provided evidence that individual self-efficacy and growth aspirations are the primary determinants of an entrepreneur's individual characteristics. 'Pull' factors from the external environment, especially market opportunities, anchored the growth of the SMEs studied. A firm's ability to respond to market opportunity was evident to be grounded in its internal capacity, made up of the firm's entrepreneurial, managerial and technical capabilities as well as past experiences. Financial resources were mostly acquired through personal and family savings. Social resources, building upon an integrated network of both formal and informal relationships played important role in achieving growth. Improved human resources enabled firm growth by improving employee performance. Gradual, but strong economic growth in developing Bangladesh also contributed towards the emergence and growth of the SMEs studied.

The heterogeneous growth processes of the SMEs studied were conceptualised as a series of growth actions and strategies that were grouped into five main categories: improving product or service quality; reducing cost of production; achieving technological advancement; and innovation; developing new product or service; and expanding existing market. Growth actions and strategies varied depending on the extent to which the owners could act upon profitable growth opportunities and commit resources for the purpose of investigating possible avenues of growth. Entrepreneurial decisions to act upon growth opportunities were common among

the sixteen case studies. All SMEs improved quality for achieving sustainable competitive advantage. Market expansion was the second most commonly used strategy. Manufacturing firms achieved cost reduction mostly by local sourcing of raw materials. Both new product development strategies and technological advancement strategies were relatively rare among them. These findings provide new knowledge on the phenomenon of women-owned SME growth, in an urban-based developing economy setting.

7.3 IMPLICATIONS FOR THEORETICAL DEVELOPMENT

Whilst there is an increasing trend in the literature for measuring the nature and extent of growth oriented women-owned SMEs, there is a lack of understanding from the developing economy perspective. Growth of women-owned SMEs operating within the ambience of a developing economy represents a complex course of dynamics and interactions. Previous research validated the significance of analysing institutional factors that affect growth and largely focused on women-owned firms in developed economies. Grounded on Brush et al.'s (2010) general framework on growth oriented women entrepreneurship, much of the research took institutional factors of growth into account. However, there is a need to establish and validate these relationships in a developing economy. This study is an attempt to understand how the institutional factors operate and interact in accomplishing growth, with the aim of contributing to building a more advanced academic theory of the growth of women-owned SMEs in developing economies generally and in Bangladesh particularly. The framework of analysis (Chapter 2, Figure 2.3) developed for this research allows for reproduction in order to understand the growth of women-owned firms in other similar economies. Application of this framework in other similar economies will further show its adaptability and robustness for analysing women-owned SME growth in emerging economies.

This research has made a contribution to our conceptual understanding of the growth of women-owned SMEs by informing an existing understanding of various growth related individual, internal and external elements, as well as unfolding the

processes of growth, particularly in the Bangladesh context. It thus highlighted the gradual nature of firm growth. The findings of this research complement some recent literature where researchers (Hughes and Jennings, 2012) argue for exploring diverse settings in order to build a comprehensive understanding of female entrepreneurship. With empirical evidence, the findings of this research have responded to the call for completing “...the tapestry of global women’s entrepreneurship research” (Hughes and Jennings, 2012, p. 242). Building upon existing knowledge, this research has attempted to provide new insights with a deeper theoretical discourse that places such insights into a coherent model of urban-based growth in a developing economy.

This research contributes to knowledge as it exists by first attempting to analyse and conceptualise women-owned SME growth within the emerging economic context of Bangladesh. Three final observations can be made for understanding successful growth experiences. Firstly, the findings of this research suggest that the success and growth of educated urban based women entrepreneurs is largely the result of opportunity driven pull factors in the external business environment. A firm’s internal capabilities and growth resources are combined with the entrepreneur’s individual self-efficacy and strong growth aspirations in order to pursue market opportunities for achieving firm growth. Secondly, this research confirms the positive repercussions of family support on these successful women entrepreneurs with long term business perspectives, who have been mostly overlooked in the developing economic context. Thirdly, the findings acknowledge the potential for similar strong growth trajectories of small and medium-sized firms based on unique products in various markets and industries, which should encourage the Bangladeshi government to reduce excessive dependency on exploitative and unsafe low cost exports, like the ready-made garment industry.

This research has contributed in methodological terms by providing insights into growth. The philosophical standpoint of pragmatism provided this research with grounds for a contextual generalisation through evaluation of growth externalities by analysing a social construct like women entrepreneurship, with scope to transfer the results into other developing economy contexts. Focusing on the research

questions, the advantages of qualitative research have enabled this study to provide a rich explanation of why and how women-owned SMEs of Bangladesh are growing. The measurement of women-owned SME growth rates has provided a relative understanding and a context for the study. And the case study method has provided a way of analysing the real growth experiences of female entrepreneurs, which has allowed for a detailed exploration on growth strategies and approaches. Thus, the study has made an attempt to respond to the call for “...diverse approaches in contributing to the rich quilt of knowledge” (Hughes and Jennings, 2012, p. 243) by providing a more comprehensive understanding from multiple perspectives.

In summing up, this research on growth oriented women’s entrepreneurship contributes in theoretical and empirical terms by demonstrating a dynamic process which is gradual and iterative in nature. The findings of this research add depth to our understanding of women entrepreneurs in developing countries by analysing success in the context of a society traditionally male-dominated.

7.4 IMPLICATIONS FOR POLICY MAKERS

An understanding of the overall scenario of growth oriented women-owned SMEs in Bangladesh is necessary for the country’s policy makers. There is also a need to recognise persuasive elements and resources at the individual and firm levels, together with the actions and strategies related to growth. The findings of this research are a response to this need. Policy makers are an important target group for this women’s entrepreneurship research since this is a conceptual and empirical study that identifies their impact on the allocation and growth of entrepreneurship in Bangladesh.

The purpose of this research has been to shed light on the growth experiences of women entrepreneurs in SMEs. From a policy maker’s perspective, the findings of this research can be used as information to guide their decisions. Growth opportunities are the most important element of the external environment, which is directly related to general macroeconomic policy measures. More specifically, there

are many ways in which policy makers can address the issue of growth oriented women entrepreneurship. General policy measures have effects on large parts of the population and greater effect on certain sections of it. From the perspective of this study, policy makers need to be aware of the needs of growth oriented SMEs in general. For instance, power shortages adversely affect the overall prospects of the SME sector, which needs to be addressed under general policy measures.

Professional network development can also be facilitated to encourage wider sources of information beyond familiar networks. Regulatory requirements for growth oriented SMEs might be different from usual SMEs. Reviewing existing regulatory regimes to suit growth oriented SMEs can also ensure support for innovative SME growth. Also, by increasing the diversity and forms of financial assistance to such women entrepreneurs, their access to start-up and growth capital can be increased.

There is a focus by policy makers on women-owned SMEs in urban settings. Besides general policies, there are some other ways of addressing the issue of women entrepreneurship. For example, some SMEs require to be addressed through specific measures. The diversity among growth oriented SMEs has been the result of their various individual, firm and industry level differences. Therefore, various responses to policy measures are evident. Because of this heterogeneity among SMEs, the effect of general measures and policies are unsuccessful from time to time. So, based on individual SME needs, selective support is likely to be more effective than general support.

The findings of this research suggest that, for the purpose of encouraging growth in women-owned SMEs, particular measures need to be designed to suit individual SME requirements. For example, some SMEs striving for growth might be lacking certain skills, capabilities and resources. In such cases, education and training support, business consultancy support and financial support services are the most effective policy supports. Capacity building programs for improving the skills, capabilities and knowledge of individuals are improved. The research findings suggest that, existing training programs designed to support women entrepreneurs need to be modified to meet the specific needs of SME owners. These measures

should be designed to appeal to individual entrepreneurs and made available at low cost for encouraging SME growth.

In other instances, SMEs possess internal abilities and growth resources. Appropriate policy measures for these SMEs would largely involve simplification of operations, such as reducing bureaucratic complications for government approval. Unnecessary barriers to SME growth resulting from unintentional effects of taxes and legislation could be removed. Providing more realistic information about the challenges associated with SME growth should be effective as well.

In Bangladesh, there is a need for policies to ensure that women are able to take advantage of business opportunities in a traditional male-dominated society. There is a domination of male-owned large businesses, largely locked into systems that are not looking at growth. In these surroundings, the women entrepreneurs in this study were being innovative and trying to find and create opportunities, whereas many male-dominated businesses are interested in increasing market share but not in creating market growth areas. Policy makers can address this situation and can help to encourage women innovators which would benefit innovation in new innovative growth areas.

This research also provides an understanding about the role played by sector context into the growth of women-owned SMEs. Sector context has important implications for SME growth. SMEs serving growing markets experience high growth. There were more market opportunities for growth in ready-made garments, decorative art glass, and beauty care and telecommunication equipment installation industries. In contrast, there were SMEs in leather product, education and culinary industries where low entry barriers attracted these women entrepreneurs. Although, these SMEs served already matured industries, growth was achieved through innovative operations; such as: the combination of jute with leather, industry based practical course offerings, and serving international cuisine.

7.5 PRACTICAL IMPLICATIONS

This research focused on growth oriented women-owned SMEs in Bangladesh and the findings of this research have practical implications. In the growing economy of Bangladesh, several groups in society are increasingly attracted to the growth and prosperity of SMEs as a measure to generate self-employment as well as create new competitive firms. Apart from theoretical and policy implications, the research findings provide women entrepreneurs, SME consultants as well as various groups of society with a more robust view of the dynamics of SME growth. The conceptual framework for women-owned SME growth represented the heterogeneity of SME growth within the developing economic context of Bangladesh. This attention to context also informed the diversity evident among the women entrepreneurs. Another practical advantage of this framework is that, it is an easily understood framework, which provides insights for entrepreneurs and stakeholders.

The research findings provide insights into a process which was largely unknown. There has been an increase in emergence of women entrepreneurs in urban Bangladesh. There were no formal barriers for women to engage in entrepreneurial activities and no legal obstacles to limit women from owning an enterprise. The social climate of Dhaka was favourable for women entrepreneurs who became entrepreneurially active out of market opportunities. The cross case analysis of this research makes it possible to determine causality among the variables of the framework of analysis. It also identified the activities associated with the growth of women-owned SMEs as they occurred in reality. An improved understanding of the nature of growth oriented women-owned SMEs will assist entrepreneurs to better respond to environmental opportunities.

Gender roles are governed by social norms, which determine one's behaviour as a woman as well as an entrepreneur. Therefore, changed social ideals in urban areas of Bangladesh encouraged these women to emerge as entrepreneurs. Consequently, the liberty accompanying independent business venturing provided these women more opportunities to overcome stereotypical gender subordination. The results also indicate the learning experiences of these women entrepreneurs through this

entrepreneurship process had increased their growth aspirations over time. Although the prevalent gendered stereotypes and discourses still exist, the contexts in which the discourses are embedded are improving.

This research contributes towards an enriched understanding of the impact of family support and childhood socialisation on an entrepreneur's self-efficacy and growth aspirations. In the setting of a developing economy, this aspect of a woman's family background and upbringing has been largely overlooked. Family contexts played a significant role in influencing entrepreneurs' experiences by shaping their identities and practices as well as their access to initial finance and business networks. Intriguing connections were also highlighted between family context and growth performance, which concerned the motivations and orientations of the women entrepreneurs.

There have been investigations addressing the question of whether women-owned businesses perform as well as men-owned businesses. A number of extensive studies identify that women-owned businesses underperform men-owned businesses in terms of employment level (Rosa et al., 1996; Cliff, 1998; Coleman and Robb, 2012), revenue generation (Coleman and Robb, 2012; Rosa et al., 1996) and total assets (Coleman and Robb, 2012; Rosa et al., 1996). In contrast, this study has investigated women-owned firms that are very successful in terms of annual sales and in a few cases the employment numbers in women-owned SMEs. Considering the contextual factors of a male dominated developing economy of Bangladesh the results of this study spurn previous findings. Indeed the results from this study show that women-owned businesses do not underperform men-owned businesses in certain industries.

Role models are essential for the development of women's entrepreneurship in Bangladesh. Identification and recognition of successful women entrepreneurs by renowned associations through providing business awards has been important. These role models could be an inspiration, or template, for younger women who can be encouraged to see opportunities and try to emulate these women. Financial institutions also acknowledge the importance of these awards by allocating loans to

the award winners on a priority basis (Zohir and Greene, 2012). Recognition of successful women entrepreneurs by providing business awards requires more serious consideration by business support organisations so that they can provide ways to address the specific needs of women-owned SMEs.

The research findings reinforce the importance of employees in the growth process of SMEs. The results show that the women entrepreneurs in this study attach importance to the way they handle employees. Employees are vital to the growth process and the case-studies of successful women entrepreneurs show that they recognise that. This study highlights the significance of supporting, encouraging and motivating employees for achieving growth. Complicated organisational structures and strict management techniques may not be useful. Employee motivation techniques should be based on creativity and enthusiasm to acknowledge and encourage their effort through various forms of awards and rewards provided to them. Also the work-based culture that woman-owned firms set up is inclusive and supportive.

Although there has been a notable increase in the number of women entrepreneurs in Bangladesh; they still remain an unexploited source of entrepreneurship. Formulation of effective mechanisms for promoting growth oriented female entrepreneurship could become an important source of entrepreneurial ideas in Bangladesh. Support services to women-owned SMEs largely focused on administrative and managerial supports, which cannot cater for the special needs of entrepreneurs, such as technical training support. Setting up specialised programs for technical training would help women entrepreneurs in different phases of their businesses. Further training on entrepreneurial and business skills through business support measures would also facilitate women's entrepreneurship in Bangladesh.

7.6 AREAS FOR FUTURE RESEARCH

The phenomenon of women's entrepreneurship is complex to investigate. It is important, yet difficult, to analyse the effect of a large number of variables on the

studied phenomenon. This research responds to Brush et al.'s (2009) suggestion for a general conceptual framework on women's entrepreneurship that takes institutional variables into account. The analysis possesses strengths as well as weaknesses in the conceptualisation of the general framework. Some factors appear to have stronger and more direct influence on the growth process, compared to the others. Growth aspirations, for instance, seems to be an important contributor towards growth, whereas the influence of the entrepreneur's age is not clear since the women studied belonged to different age groups ranging from 23 to 56. In order to better understand which plausible factors are the strongest determinants, there is a need to use the conceptual framework to probe deeper into each of the five elements. This also applies to examining further links between institutional variables and the growth performance of women entrepreneurs.

This research focuses on urban-based manufacturing and service SME growth. Exploring the growth experiences of rural-based women-owned SMEs could be an interesting addition to this study. Moreover, SMEs from other sectors (for example, agriculture or construction SMEs) and their different growth trajectories would also enhance our understanding of the growth oriented women's entrepreneurship in a developing economy. Furthermore, research into the factors which influence the non-growth of micro firms not pursuing a path of growth could certainly highlight the growth factors of the studied SMEs. Research questions investigating the reasons for micro firms not seeking growth should draw a clear distinction between non-growth oriented micro and growth oriented SMEs. Future research could also shed more light on the growth dynamics by providing additional details about the factors which influence the speed by which SMEs progress through stages of development. Research questions examining the reasons why some SMEs grow quicker than other SMEs would also enhance our understanding of firm growth.

Focusing on process development, this study uses a qualitative approach for studying the growth of women-owned SMEs. Future research could examine gender differences in growth activities by comparing subjective experiences as well as objective data on revenues, employees and growth rates. Such an exploration could enable an understanding of the impact of gender or if it plays any role in the growth

performance of entrepreneurs. Further research should address the question of whether male and female entrepreneurs differ in fundamental ways with respect to their growth orientations, approaches to networking, building culture in the firm, use of growth resources and their strategic choices. Studies are needed to identify whether male entrepreneurs adopt any different growth processes from those of female entrepreneurs. Further investigation is required about those elements of the business environment that seem to affect men-owned firms differently from women-owned firms. Application of similar qualitative methodologies and framework of analysis on a set of growth oriented male entrepreneurs could enhance the robustness of our understanding of SME growth across gender in a developing economy setting.

Research on growth oriented women's entrepreneurship in the context of developing economies, is relatively sparse. The background of a growing economy set up the context for this research on growth oriented women entrepreneurship. Different groups of entrepreneurs from different contexts might approach growth issues differently depending on, for instance, their legal, social, cultural and political situation. Therefore, there is a need to achieve a greater understanding of the entrepreneurial dynamics within and across nations. Future research should emphasise cross-national investigations in order to examine variances across both developed and developing country contexts. Further research should be oriented towards identifying persuasive variables and processes of growth across economies in order to provide more evidence for these findings.

This study has also exposed, from a research method perspective, an opportunity to examine growth oriented women's entrepreneurship using deeper longitudinal research methods which could investigate firm growth as it actually occurs. The retrospective nature of this current longitudinal study may have created information bias. Although it was appropriate given the time and resource limitations of doctoral research the research findings need to be more specifically examined in current and future real time analysis of firm growth over a number of years. Future research needs longer time frames for studying the growth of women-owned firms, preferably over five to eight years, in order to follow through over time into the

future. The results from such longitudinal studies could be used to confirm, or challenge, current research findings, which would lead to a richer understanding of the nature of women-owned firm growth.

Future research could provide a systematic comparison between the growth processes of SMEs owned by opportunity motivated women with those owned by necessity motivated women. Research questions addressing how the growth process of opportunity driven entrepreneurs differs from that of necessity driven entrepreneurs could shed additional light on the phenomenon of growth oriented women entrepreneurship. Results from this research highlighted the propensity of the studied entrepreneurs to accomplish growth largely funded by internal reinvestment of the firm's profits. Future research could identify any differences in growth paths of firms funded by external sources with internally funded growth firms.

The findings of this research emphasise the influence of non-traditional emerging industries as a strong base for SME growth. Additional investigation into the elements which influence choice of industry should be illuminating. Similarly, additional research which examines the impact of choice of business type will enhance knowledge on women-owned firm growth. Further research into the challenges associated with accomplishment of growth and the strategies and approaches used to address these challenges will provide additional insights.

7.7 CONCLUDING REMARKS

The phenomenon of firm growth has received considerable attention within multiple disciplinary fields. Over the years, valuable contributions have been made and a great deal of new information has come to light. However, very little integrative work relating to the growth factors and how firms achieve growth has been undertaken. No coherent framework, entirely capturing the essence of firm growth has emerged yet. Studies on women entrepreneurs accomplishing growth in developing economy setting are even rarer. This research on the growth, process of

women-owned SMEs aimed to shed light on the actual elements influencing growth and explore the growth process mechanism in the context of the developing economy of Bangladesh.

This research recognises significant contributions from a diverse range of disciplinary perspectives and builds on the seminal works of Brush et al. (2010) and Edith Penrose (1959). A framework of women-owned SME growth has been developed for explaining the growth process of women-owned SMEs. Focusing on contextualised processes, with the use of multiple data sources, this research has measured growth over time. The firms examined were not typical firms, but were successful growth 'outliers' that can be used to inform the framework through an analysis of the specific decisions and actions taken by their owners (Taleb, 2008). These firms are among the most successful firms in their respective industries. They have been developed (and have now strongly grown) by women in a traditional male-dominated society. These women entrepreneurs are the role models and the heroines that Bangladesh needs. Their remarkableness and uniqueness can provide a positive way in which Bangladesh can get out of a mire of political and economic problems. The exceptional characteristics of these women can be the chief drivers of a better Bangladesh, ignoring all the negativities.

This research, using an interactive conceptual framework, demonstrates a holistic picture of women-owned firm growth in a way that is more dynamic and feedback driven, compared to the previous models of firm growth. This framework of women-owned SME growth has been reinforced by the case study evidence to capture the dynamism of firm growth. It illustrates SME growth as a process which is gradual and iterative, comprising a series of growth strategies and approaches. Each of these strategies and approaches oriented towards growing the firm involves a process itself comprising a set of growth actions and decisions. The framework also highlights the interactive connection between different growth variables. These elements interact with each other in order to recognise productive market opportunities, utilise growth resources and implement appropriate growth strategies for achieving growth. The framework also highlights how industry sector

and the national context of a growing economy facilitate (or can hinder) the growth of women-owned SMEs.

This research contributes to our understanding of growth oriented women's entrepreneurship by representing an important step towards maturation in the field. The case study based research has answered the calls for advancing knowledge in global women's entrepreneurship by addressing two neglected issues. One is the scarcity of studies on women entrepreneurs in developing countries, especially in the context of the Diana International Project. The other is to focus, in the context of a strong male-dominated nation, on the 'outliers' who are very successful high growth female-led firms. Building upon existing knowledge, this research generates new insights and theoretical discourse has been advanced. It provides richness and subtleness to our knowledge of the growth process and opens up new avenues for future research.

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APPENDICES

APPENDIX A: MEMBER LIST OF WOMEN ENTREPRENEUR ASSOCIATION OF BANGLADESH (WEAB)

The member list of Women Entrepreneur Association of Bangladesh (WEAB) retrieved from <http://www.weab.org/members>. Names were removed for confidentiality purpose.

	Designation with WEAB	Products/Line of Business
1.	President	Marketing & Distribution
2.	President	Buying house
3.	First Vice President	Handicrafts
4.	2nd Vice President	Handicrafts
5.	Treasurer	Petrol pump
6.	General Secretary	Boutique
7.	Executive Member	Boutique & food
8.	Executive Member	Plastic
9.	Executive Member	Boutique
10.	Executive Member	Jute
11.	Executive Member	Boutique
12.	Executive Member	Handicrafts
13.	Executive Member	Printing
14.	Executive Member	Information Technology
15.	Executive Member	Beauty parlour
16.	Executive Member	Boutique
17.	Executive Member	Printing
18.	Executive Member	Medical equipment
19.	Executive Member	Animal nutrition
20.	General Member	Handicrafts
21.	General Member	Boutique
22.	General Member	Herbal products
23.	General Member	Boutique
24.	General Member	Pharmaceuticals
25.	Executive Member	Paper
26.	General Member	Handicrafts and boutique

	Designation with WEAB	Products/Line of Business
27.	General Member	Handicrafts
28.	General Member	Cold storage
29.	General Member	Food
30.	General Member	Handicrafts
31.	General Member	Food
32.	General Member	Dry flower
33.	General Member	Boutique
34.	General Member	Travel agency
35.	General Member	Boutique
36.	General Member	Book Shop
37.	General Member	Handicrafts
38.	General Member	Fashion & Design
39.	General Member	Boutique and handicrafts
40.	General Member	Boutique and handicrafts
41.	General Member	Boutique and handicrafts
42.	General Member	Boutique and handicrafts
43.	General Member	Bookshop
44.	General Member	Boutique and handicrafts
45.	General Member	Beauty parlour
46.	General Member	Boutique and handicrafts

APPENDIX B: APPROVAL OF HUMAN RESEARCH ETHICS COMMITTEE

Principal Researcher:	Jerry Courvisanos
Other/Student Researcher/s:	Mosfeka Jomaraty
School/Section:	The Business School
Project Number:	B11-104
Project Title:	Growth process of small and medium enterprises (SMEs): A study on women owned firms of Bangladesh
For the period:	24/10/2011 to 24/6/2013

Please quote the Project No. in all correspondence regarding this application.

REPORTS TO HREC:

An annual report for this project must be submitted to the Ethics Officer on:
24 October 2012

http://guerin.ballarat.edu.au/ard/ubresearch/hdrs/ethics/humanethics/docs/final_report.doc

A final report for this project must be submitted to the Ethics Officer on:
24 July 2013

http://guerin.ballarat.edu.au/ard/ubresearch/hdrs/ethics/humanethics/docs/final_report.doc



Ethics Officer
24 October 2011

Please see attached 'Conditions of Approval'.

CONDITIONS OF APPROVAL

1. The project must be conducted in accordance with the approved application, including any conditions and amendments that have been approved. You must comply with all of the conditions imposed by the HREC, and any subsequent conditions that the HREC may require.
2. You must report immediately anything which might affect ethical acceptance of your project, including:
 - Adverse effects on participants;
 - Significant unforeseen events;
 - Other matters that might affect continued ethical acceptability of the project.
3. Where approval has been given subject to the submission of copies of documents such as letters of support or approvals from third parties, these must be provided to the Ethics Office before the research may commence at each relevant location.
4. Proposed changes or amendments to the research must be applied for, using a 'Request for Amendments' form, and approved by the HREC before these may be implemented.
5. If an extension is required beyond the approved end date of the project, a 'Request for Extension' should be submitted, allowing sufficient time for its consideration by the committee. Extensions cannot be granted retrospectively.
6. If changes are to be made to the project's personnel, a 'Changes to Personnel' form should be submitted for approval.
7. An 'Annual Report' must be provided by the due date specified each year for the project to have continuing approval.

8. A 'Final Report' must be provided at the conclusion of the project.
9. If, for any reason, the project does not proceed or is discontinued, you must advise the committee in writing, using a 'Final Report' form.
10. You must advise the HREC immediately, in writing, if any complaint is made about the conduct of the project.
11. You must notify the Ethics Office of any changes in contact details including address, phone number and email address.
12. The HREC may conduct random audits and / or require additional reports concerning the research project.

Failure to comply with the *National Statement on Ethical Conduct in Human Research* (2007) and with the conditions of approval will result in suspension or withdrawal of approval.

APPENDIX C: SEMI-STRUCTURED INTERVIEW

Semi-structure interview schedule

Starting time:

Finishing time:

Date:

Address:

Demographic description

1. Year of establishment
2. Type of business

Probe

Products, services

3. Sales
4. Employees

Internal environment

- A. Individual
 - 1. Age
 - 2. Level of education
 - 3. Previous experience
- B. Family
 - 1. Number of children/ elders

Probe

Do you need to take care of them? Does it affect your business?

- ## 2. Perception of family members

Probe

Husband's perception, children's perception, encouragement, support, sharing work load

- ### 3. Business history in family

Probe

Father, husband, other family member or near friend doing business

External environment

1. Reason for choosing particular business

Probe

Opportunities, product market

2. Relationship with supplier

Probe

Quality, promptness, efficiency

3. Perception on customers

Probe

Demanding, loyal

4. Did you get any loan for starting or growing?
5. How do you assess risk? To what extent do you take risk?

Venture concept

1. Growth plans/ goals

Resources

1. What were the resources in order to grow the business? Were they adequate?

Probe

Organisational, physical, financial, social resources

2. How did you acquire any resource necessary for growing your business?

Growth actions

1. How did you reach your growth goal?
 - 1.1 Improving the quality of product/ service? How?
 - 1.2 Reducing cost of production? How?
 - 1.3 Developing the process of production/service? Change or addition in process? Using what advanced technology?
 - 1.4 Introduce new product/ service in the market? How?
 - 1.5 Expanding existing market? How?
 - 1.6 Please specify if any other strategies has been taken to achieve growth of your business.

APPENDIX D: CALCULATION OF GROWTH RATE

Calculation of growth rate:

$$g = (S_{tf} - S_{t0}) / S_{t0}$$

g symbolises the total growth rate, ***St0*** is the firm's size at 2008 and ***Stf*** is the firm's size at 2010. The difference between year one and year three is divided by the corresponding figures of year one. The first 100 firms are services and remaining 100 firms are manufacturing. Annual sales figures are in thousand Australian dollars.

Service Firms:

<i>Service firm</i>	<i>St0</i>	<i>Stf</i>	Growth
1	90	140	0.555556
2	80	230	1.875
3	20	100	4
4	140	400	1.857143
5	130	280	1.153846
6	40	70	0.75
7	60	160	1.666667
8	30	120	3
9	120	340	1.833333
10	40	120	2
11	50	330	5.6
12	40	160	3
13	50	120	1.4
14	30	130	3.333333
15	20	170	7.5
16	50	170	2.4
17	100	240	1.4
18	20	160	7
19	60	130	1.166667
20	20	90	3.5
21	50	100	1
22	40	140	2.5
23	50	300	5
24	20	180	8
25	40	130	2.25
26	50	140	1.8
27	30	100	2.333333
28	130	670	4.153846

<i>Service firm</i>	<i>St0</i>	<i>Stf</i>	Growth
29	180	810	3.5
30	290	740	1.551724
31	110	380	2.454545
32	80	390	3.875
33	240	610	1.541667
34	150	860	4.733333
35	130	890	5.846154
36	150	890	4.933333
37	250	810	2.24
38	20	110	4.5
39	220	980	3.454545
40	120	710	4.916667
41	160	670	3.1875
42	40	150	2.75
43	40	240	5
44	130	800	5.153846
45	180	230	0.277778
46	210	830	2.952381
47	160	710	3.4375
48	40	240	5
49	240	800	2.333333
50	120	230	0.916667
51	40	130	2.25
52	20	210	9.5
53	50	830	15.6
54	210	610	1.904762
55	110	340	2.090909
56	110	520	3.727273
57	310	980	2.16129
58	110	400	2.636364
59	20	50	1.5
60	150	770	4.133333
61	200	720	2.6
62	240	550	1.291667
63	50	330	5.6
64	70	240	2.428571
65	190	520	1.736842
66	70	390	4.571429
67	350	640	0.828571
68	60	190	2.166667
69	30	200	5.666667
70	350	870	1.485714
71	120	310	1.583333

<i>Service firm</i>	<i>St0</i>	<i>Stf</i>	Growth
72	330	1040	2.151515
73	300	930	2.1
74	260	670	1.576923
75	30	60	1
76	330	500	0.515152
77	40	260	5.5
78	260	490	0.884615
79	120	550	3.583333
80	60	130	1.166667
81	160	640	3
82	340	1320	2.882353
83	50	130	1.6
84	70	220	2.142857
85	130	570	3.384615
86	220	620	1.818182
87	30	350	10.666667
88	150	740	3.933333
89	70	200	1.857143
90	450	1320	1.933333
91	100	340	2.4
92	90	250	1.777778
93	130	310	1.384615
94	90	310	2.444444
95	30	180	5
96	150	360	1.4
97	90	230	1.555556
98	290	1200	3.137931
99	120	270	1.25
100	50	120	1.4
			305.4951
$g = 3.054951$			

Manufacturing Firms:

<i>Mnfc firm</i>	<i>St0</i>	<i>Stf</i>	Growth
1	20	130	5.5
2	60	160	1.666667
3	20	210	9.5
4	60	210	2.5
5	30	160	4.333333
6	40	160	3
7	140	320	1.285714
8	230	610	1.652174
9	80	300	2.75
10	100	670	5.7
11	140	260	0.857143
12	60	250	3.166667
13	40	260	5.5
14	140	490	2.5
15	130	440	2.384615
16	80	160	1
17	180	350	0.944444
18	160	500	2.125
19	50	280	4.6
20	130	390	2
21	90	340	2.777778
22	260	800	2.076923
23	190	510	1.684211
24	50	230	3.6
25	220	750	2.409091
26	160	380	1.375
27	270	890	2.296296
28	100	380	2.8
29	80	250	2.125
30	160	380	1.375
31	70	260	2.714286
32	30	170	4.666667
33	230	980	3.26087
34	150	390	1.6
35	60	330	4.5
36	230	760	2.304348
37	180	490	1.722222
38	130	370	1.846154
39	320	1100	2.4375
40	100	310	2.1

41	80	190	1.375
42	150	340	1.266667
43	190	650	2.421053
44	50	330	5.6
45	110	290	1.636364
46	80	200	1.5
47	120	310	1.583333
48	210	780	2.714286
49	50	190	2.8
50	40	230	4.75
51	90	370	3.111111
52	140	600	3.285714
53	170	390	1.294118
54	130	600	3.615385
55	150	530	2.533333
56	130	540	3.153846
57	80	360	3.5
58	240	900	2.75
59	110	410	2.727273
60	220	900	3.090909
61	90	350	2.888889
62	360	1260	2.5
63	130	660	4.076923
64	250	890	2.56
65	170	560	2.294118
66	100	460	3.6
67	70	350	4
68	130	480	2.692308
69	70	270	2.857143
70	240	650	1.708333
71	60	230	2.833333
72	170	400	1.352941
73	140	890	5.357143
74	250	920	2.68
75	150	650	3.333333
76	30	400	12.333333
77	380	1170	2.078947
78	210	900	3.285714
79	240	830	2.458333
80	140	740	4.285714
81	380	1060	1.789474
82	270	1010	2.740741
83	130	800	5.153846
84	60	610	9.166667

85	120	660	4.5
86	110	500	3.545455
87	240	760	2.166667
88	230	640	1.782609
89	140	550	2.928571
90	80	440	4.5
91	100	510	4.1
92	50	420	7.4
93	230	710	2.086957
94	180	620	2.444444
95	340	1200	2.529412
96	280	900	2.214286
97	210	740	2.52381
98	170	680	3
99	60	410	5.833333
100	130	520	3
			309.9283
$g=$ 3.099283			

APPENDIX E: INDIVIDUAL CASE REPORTS

CASE PRESENTATION STRUCTURE

Appendix D presents each of the sixteen individual case reports in a structure that helps to identify the growth factors and explain the growth processes of women-owned SMEs. Sixteen individual case reports were developed from the transcript data generated by the semi structure interviews and secondary sources on each firm. Margin notes and highlights by the researcher based on observations during site visits were also added into each case transcript during the transcription process. Each case report was built up from a constant engagement with the sources of evidence. Transcripts were read and re-read and other source materials were integrated into the process of case development. Emerging patterns were teased out from reading the interview transcripts. Organisational documents like annual financial reports, newspaper articles were also drawn and compared against the conceptual framework in order to generate information about firm growth. Themes were also rearranged for integrating categories according to the framework. The outcome of this analysis was the sixteen case reports that are presented in this appendix.

The order of the cases presented is based upon the size and sector of the firms. It commences with the medium-sized manufacturing case reports, then reports of small-sized manufacturing cases, followed by medium-sized service and small-sized service case reports. The individual case structure is presented in a common template form that was guided by the conceptual framework. Each case report commences with a brief history of the firm followed by its business growth pattern. Following on from growth history data, the next component of each of the sixteen case reports is a summary table of analytical findings relating to key factors and activities assisting growth of the firm. Within each of the case reports, quotes are also presented to illustrate and to add an element of reality to the case descriptions. For clarity, these quotes were placed within quotation marks and were taken from the interview transcripts with minor grammatical corrections.

MEDIUM MANUFACTURING 1 (MM1)

MM1 is a printing press company which was established in 1982. It is located in a convenient place at the centre of Dhaka city. Initially the firm was started only with one offset machine by the owner herself. Now it operates as one of the few women-owned medium sized manufacturing firms in Bangladesh. The mission statement of MM1 states that the firm aims to be the primary printing operator in Bangladesh, providing the best quality services to the customers, value to the shareholders, and a dynamic working environment for the employees, being the first to go into the international printing industry from Bangladesh.

The gradual success of MM1 and the persistence of RMM1 were acknowledged at the Bangladesh Business Awards where she was awarded Best Women Entrepreneur. “However, the road to success was not easy” (RMM1). Society was not prepared to see a woman in the printing industry. “It was early 1980s I am talking about” (RMM1) she said. In Bangladesh, women are less likely to become an entrepreneur because of the socio-cultural norms. “Being a good student throughout school, I was naturally expected to join the public service” (RMM1). It was not easy for her to make the decision to start her business. When she started it then people were not willing to contact her rather they would contact her manager. “I could not wear a good dress to look good without a feeling that people might get the wrong idea” (RMM1).

History of the firm

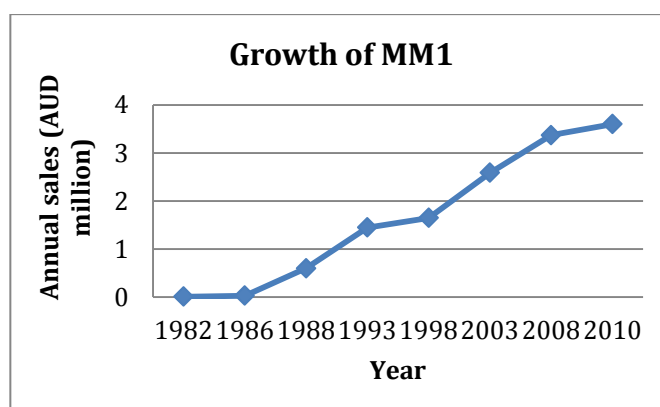
MM1 started its journey when social status of women was not as it is today. Lots of ups and downs have been faced since its establishment. Prior to starting the business, the owner RMM1 used to live in Rajshahi with her family. In 1980 her husband was offered a job and they moved to Dhaka. Although she was a graduate from Rajshahi University, she did not look for work. Rather she wanted to do something from home and stay with her daughter who was only three years old at the time. She decided to export marine products. Every day she went to the post office to mail business proposals to foreign companies. One day she had a reply from

a businessman from Hong Kong and started exporting marine products. However, ideologically she was against it because she thought that one should not trade natural resources of a country long term.

As an alternative business to exporting marine products, RMM1 decided to establish a printing business, which was not a sudden decision for her. RMM1's technical background can be traced back to her family business history. Her father used to own a printing press from where she learnt the basic technical aspects of printing. Now, for starting her own printing company RMM1 required a cheap printing machine. At that time, one of her friends from Japan recommended buying Japanese printing machines as they were relatively cheaper than the more commonly used German machines. By then she had saved enough from the export of the marine products to enable her to import a machine from Japan to start MM1. With that money she imported a machine from Japan and started the printing company. Initially the orders were not significant unless she was given the regular printing jobs of her husband's friend, who was an industrialist.

In 1980s, RMM1 was not seen as a part of the industry. People in the industry were against using Japanese machines and took their orders away. However, she was determined to be acknowledged in the industry. RMM1 realised that convincing the customers with product quality was the only way of doing it. She was innovative in using Japanese machines and therefore able to reduce the cost of production, reduce the price of the product and increase sales. Hence she was able to build a strong customer base and MM1 was recognised as an important supplier in the market.

Figure E1 Annual sales MM1, 1982-2010



Source: Annual financial report (MM1, 2011) and personal communication (2011)

The pattern of MM1's growth is illustrated in Figure E1 where two distinct growth periods are apparent. The first growth phase was from 1986 to 1993. Before that, from 1982 to 1985, MM1 tended to generate low revenue. The actual growth started from 1986. Three new machines were added and twenty people were employed by 1988. There was a steady growth from 1988 to 1993 and the annual sales were doubled. The growth relatively slowed down during 1994 to 1997. The second phase of growth was from 1998 onwards. In 2011 MM1 functioned with eight printing machines, 80 permanent employees, 20 part-time workers, six technicians, four electricians and engineers.

Applying the framework to MM1

MM1's process of growth started with the growth goals of the owner. RMM1 wanted to double the annual sales revenue in seven years (1989-1993). Although she was confident about the demand she was not sure of clients' locations and requirements. Therefore, she decided to target the local market the first and then approach the international market.

Individual factors

Individual factors of the owner were important for MM1's first growth phase (G1). RMM1 was very young, only 23/24 when she started the business. Her main objective was to work from home as she was mother of three year old girl. Her father was the main inspiration behind establishing printing business.

RMM1's capabilities include strong educational background. She was a graduate of Economics and competent of positioning herself into public service. Rather she preferred to initiate her own business where she could work independently. She said, "I am a person who always keeps her promises" (RMM1). Regardless of issues, RMM1 always makes her order reach the client an hour ahead of when it was committed.

Family and children have been an important part of her life. Her husband has always been a great support to her and the business. He shared the work load with her

whenever required. Although she regretted that she could not spend much time with her children, they never complained about it.

Internal environment factors

RMM1's entrepreneurial ability to vision and to act upon opportunities for profitable growth provided MM1 with the strong base to expand business. She visioned to be a powerful supplier in the industry. She was successful in committing resources to investigate growth opportunities and applying growth strategies to ensure MM1's position in the market. She was an innovator from the point of view of reducing production cost and therefore increasing sales in spite of unfavourable demand condition. Managerial competence of MM1 was created by hiring a group of experienced employees with higher degree of managerial skills. As an improvement in technical competence, a creative team of artists was also hired to alter and develop the range of MM1's products.

External environment factors

From the external business environment, a significant role was played by the pull-factors for the establishment and growth of MM1. It was a decade after Bangladesh achieved independence from Pakistan. There was a need to retain the nation's authenticity and a demand for publishing as well as printing more and more in the local language. The opportunity for a local printing press was apparent at that time. Later on the demand in international market was identified and MM1 started printing for foreign companies which opened the door to cater to a larger market. Now the products from MM1 are exported to UK and Italy which RMM1 identifies as one of the major factors behind MM1's growth.

People not keeping their commitments and providing low quality products on cheap prices have become a regular practice. RMM1 is annoyed by the unfair business practices by most of the people in the industry and it is perceived as a threat to her business.

The ever increasing price of raw materials especially good quality paper is another obstacle for the business. Paper is made in Bangladesh but it could not match the

standard of quality which is essential for exporting abroad. Therefore most of the paper has to be imported from India. An increase in the price of paper has raised the production cost for MM1. In order to maintain the profit margin RMM1 started looking for an alternative local supplier. One reputable local paper manufacturer was then contracted who agreed to provide paper only to MM1 according to MM1's specifications.

With 5,000 printing firms, the printing industry in Bangladesh is a highly competitive and mature industry. According to the owner of MM1, in Bangladesh printing industry has the same potential as the ready-made garments industry. She considered that, it needs to be supported by the government. She perceived few difficulties such as the reconditioned printing machines and the price increase of paper and ink. She maintained that if the government considers printing as an important sector, a number of development projects could be introduced.

Venture concept

The venture concept for MM1 consists of RMM1's both quality-related and employment-related growth objectives. RMM1 intended to increase the number of machines by three and then number of employees by twenty or more between 1983 and 1988. When she was successful in achieving this target she aimed to double sales in the period from 1989 to 1993. With a strong customer base MM1 was able to achieve this high rate of growth. However, after that MM1's growth flattened out and RMM1 was not able to increase anymore. From 1993 to 1998 efforts were concentrated on planned information gathering. RMM1 then decided to be more creative and approach the international market with an improved quality product. In 2002, a team of artistically creative employees was formed. MM1 also started exporting the products overseas in 2004 and the potential to grow was considerably enhanced after this.

Growth Resources

The heterogeneous sets of growth resources gave MM1 the desired growth. Social capital in the form of networks has been seen by RMM1 as important for collecting necessary business knowledge, experience and contacts. She has networks available

in the form of women chamber of commerce and Bangladesh Printers association which she considers as sources of support.

MM1 received no support from financial institutions and banks. The banks required the owner to create a detailed proposal with a business plan backed by market research. However, personal savings and the family resources were used by RMM1 when she planned for MM1's first growth phase. For financing the second phase of growth, MM1's profit surplus was reinvested.

Although the education of RMM1 is not directly related to the business she pursued, she had an industry specific family background in the printing industry. This acted as the knowledge foundation of RMM1 and was also reflected in her technical capability and managerial know-how.

Growth Actions

A planned approach was taken by RMM1 to the growth of MM1. The firm seemed to have gone through two growth processes. The early growth phase was from 1982 to 1993. RMM1 decided to establish a strong position in local market before approaching the international market. The following growth actions were taken during growth phase 1 (G1) for satisfying the local demand and for doubling the sales growth from 1989 to 1993.

- (a) A few meetings with important clients were arranged by RMM1 to strengthen their business relationships where she came to understand their future requirements. In 1990, a list of potential clients was made. RMM1 then invited them to her office and provided them with a tour of MM1 explaining the entire process of production. These potential clients were satisfied with the standard maintained by MM1 and became regular clients.
- (b) In 1991, a painting competition was announced by RMM1 for children under 12. The winner's painting was printed in the forthcoming year's calendars, notebooks and diaries. The sales of calendars, notebooks and diaries were increased noticeably after this. RMM1's strategy for making MM1 popular with the general public was so successful that she continued this as an annual event.

The second phase of growth (G2) occurred between 1998 and 2011. Before that, international standards and processes of production were unfamiliar to RMM1. She believed in modern technologies and the creation of new products. According to her without these two features, the needs of sophisticated clients cannot be fulfilled. For technological advancement, she wanted to purchase new equipment and technology. However, in doing so she realised that she was not sure about which sort of machine she should buy and from where to buy them. Consequently, she decided on planned information gathering. In 2001 she visited a few printing firms in Japan for the first time. Greater knowledge of the production process benefited her. After that, two new machines were added, highly capable of amazing quality printing. A number of qualified artists were also hired so that manual touch-ups could be provided for ensuring higher quality printing. Business proposals then were sent to various foreign firms together with the price lists and MM1 was able to secure a few orders from them.

The second growth process (G2) of MM1 gained momentum when it started printing for foreign consumers in 2004. Initially products were sent to Italy. In 2005 MM1 started exporting to the UK. Now MM1 is trading with three companies in the UK and two in Italy. In 2007 the annual sales increased to AUD3.5 million, a significant share (43per cent) of which was from exports. The growth of MM1 was recognised and the owner was awarded 'The Best Woman in Business' in the year 2008.

Feedback

To be more resonant with environmental conditions, MM1 maintained perspective planning approach. The practice at the company is that, annual growth plans are assessed at the end of each year. As a part of MM1's moving plan, constant adaptations are made within the company to keep up with environmental changes. New prices are formulated, customer services are improved. Growth goals and growth actions are revised with flexibility and shifted to the next year accordingly.

Conclusion

The growth processes of MM1 were influenced by a range of individual, internal and external factors. The level of support provided by framework elements to MM1's business growth is set out in Table E1.

Family business history's level of support was **very high** for G1. RMM1 was pulled into printing business which was strongly motivated by her father's being the owner of a printing press. However by the time of G2, input from Family business history became **low** since RMM1 has accumulated her own business experiences. The higher growth propensity of MM1 can be explained by the owner's high *Growth aspirations* which had **very high** input into G1 and high input into G2. Although *Husband's support* is still continuing, the level of its importance was **very high** for G1 and **moderate** for G2. A huge scope for printing Bengali books and texts was created by the post-liberation period of Bangladesh. And thus the level of input of *Internal market opportunity* was **high** in G1. Input of *International market opportunity* became relevant in G2. The *Cost of raw materials* was considered as **low** level support for both G1 and G2. RMM1's *Personal savings* from exporting marine products worked as **moderate** support for G1. The *Reinvestment of profit surplus* was a **high** support for G2. A *Business network* comprised of both formal and informal support relations was maintained during G1 and G2. Initially securing regular business orders from her husband's friend was an expression of *moderate* support which eventually became **high** in G2 with increasing professional associations.

The *Reinvestment of profit surplus* was a **high** support for G2. A *Business network* comprised of both formal and informal support relations was maintained during G1 and G2. Initially securing regular business orders from her husband's friend was an expression of *moderate* support which eventually became **high** in G2 with increasing professional associations. The level of importance for *reducing production cost* was **very high** in G1 and moderate in G2. In G2, a creative group of employees was added in the finishing stage of printing activities. Therefore, *Product quality improvement*

and *Technological development* were more important (**very high**) for G2 compared to G1 (**moderate**).

Table E1 Framework elements to MM1's growth

Level of support Framework element	Very Low	Low	Moderate	High	Very High
Individual Factors					
Family business history		G2			G1
Growth aspirations				G2	G1
Husband's support			G2		G1
Internal Firm Environment					
Entrepreneurial abilities				G1, G2	
Managerial abilities		G1			G2
Technical abilities			G1	G2	
External Environment					
Market Opportunity					
Internal (Japanese machine)				G1	
International			G2		
Raw materials price		G1, G2			
Risk and uncertainty			G1	G2	
Growth Resources					
Financial (savings, reinvesting profit)			G1	G2	
Social (networking, reputation)			G1	G2	
Physical (equipment, technology)		G1		G2	
Growth Actions					
Cost reduction			G2		G1
Quality improvement			G1		G2
Technological development			G1		G2

G1: growth phase 1, G2: growth phase 2.

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MEDIUM MANUFACTURING 2 (MM2)

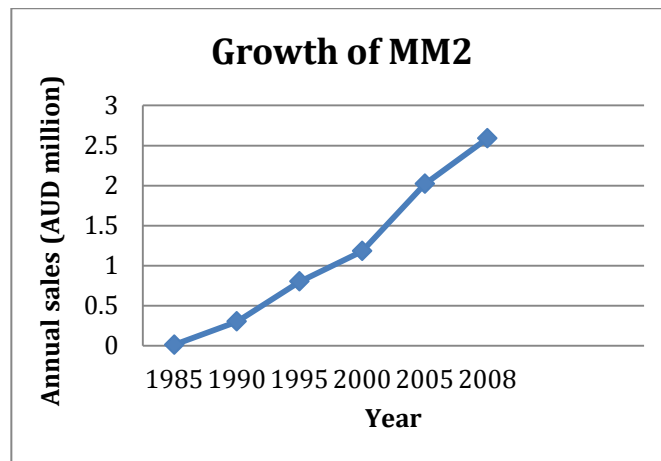
MM2 is an export oriented woven garments factory. It was started in 1985. Both MM2's production facility and corporate office are located at Savar, about 24 km to the northwest of Dhaka. It has two buildings; one is four storied, 5,200 square feet while another is two storied having 2,520 square feet. Both of the buildings were designed to comply with the requirements for responsible manufacturing as per foreign buyers' demand. For example, the manufacturing unit is equipped with an independent quality control cell; Computer Aided Design (CAD) is used for pattern making and R&D cell is formed to improve work method, efficiency and productivity. The total number of employees in the factory is 147. Among the workers 70per cent are female and 30per cent are male.

RMM2, the owner of MM2 was a recipient of 'National SME Women Entrepreneurship Award'. She was acknowledged for the highest export earnings for two consecutive years (2006, 2007) among medium sized garments factories in Bangladesh (Kamaluddin, 2010).

History of the firm

MM2 was one of the firms which were formed during early eighties, when licences were issued by Bangladesh government for the duty-free importation of machineries to produce and export garments. In 1985, as a part of Ready-made Garments (RMG) promotion policy, a meeting was organised by the Bangladesh government for garments manufacturers, foreign buyers and agents. In this meeting RMM2 was acquainted with the supportive policies of the government and was also introduced to overseas apparel buyers and agents. RMM2 was approached by an US-based commission agent who offered to sell the raw materials and arrange the sale of the finished products to the US buyers. RMM2 agreed on their conditions and both of them contracted on sharing the profit. In 1986, MM2 started garments manufacturing on a cut-and-make (CM) basis for its US based buying agent.

Figure E2 Annual sales (exports) MM2, 1985-2008



Source: Annual financial report (MM2, 2009)

Figure E2 depicts the pattern of MM2's growth. MM2's first export consignment took place in 1986-87 with the exportation of men's shirts worth AUD0.15 million. The US, Canada and the European countries imposed Multi Fibre Agreement (MFA) quotas on Bangladesh's garments industry and as a result, export growth had slowed down during 1985-90 period. Despite the small export volume in the initial years, MM2 grew slowly and its exports increased from AUD0.3 million in 1990 to AUD0.8 million in 1995. By 1999, exports had reached AUD1.18 million. However, the growth rate of exports declined in the 2000-01 period mainly due to the global recession in 2000 and the 9/11 incidents in the US in the following year. Since 2002 it had experienced a steady growth. During 2005 to 2008, the exports grew from AUD2.02 million to AUD2.59 million.

Applying the framework to MM2

Individual factors

The *Individual factors* of the owner were important for the growth of MM2. Although RMM2 was married early at the age of 20, her husband was supportive and she graduated in English literature. After that, she started teaching in a primary school in Dhaka. However, "I was attracted by the prospects of flourishing ready-made garments industry in Bangladesh" (RMM2). This was the main reason for starting a garments manufacturing factory. As RMM2's husband was one of the senior civil

servants in 1980s, his position helped RMM2 get compulsory government approvals. Although she was not experienced in the technical or managerial aspects of garments manufacturing, she had vision. She was able to identify that the garments industry in Bangladesh would be successful because of the huge scope created by global relocation of apparel manufacturing to cheap labour countries in Asia. This was her vision and together with this, her risk taking tendency let her respond positively towards the growth opportunities.

Family support played a vital role for the prospect of MM2. RMM2 had two children. “The care provided by my mother-in-law was a blessing of God”, RMM2 mentioned as she (RMM2’s mother-in-law) took care of the grandchildren and allowed RMM2 the necessary time to develop MM2.

Internal environment factors

RMM2’s *entrepreneurial* talents and their contributions to the successful operations of MM2 are inseparable from the firm’s growth. Her ability to vision and courage to take challenges allowed MM2 to grow substantially. She took the risk of investing in a little-known export-oriented manufacturing activity and was successful in taking advantage of economic opportunities created by the changed pattern of global apparel production (Kamaluddin, 2010). *Managerial* and *technical* competences of MM2 were formed by providing comprehensive overseas training to both management trainees and technical workers. This formal training was also backed up with a detailed practical training, named ‘learning-by-doing’ which provided MM2 with a strong technical and managerial base.

External environment factors

For the success and growth of MM2, an important role was played by the pull factors from the external environment. The global trend of relocation of apparel manufacturing from high-wage to low-wage countries acted as the main driving force for the emergence and subsequent growth of MM2. The MFA Quota system also created the opportunity for Bangladesh to step into the global garments manufacturing chain. When quotas were introduced in 1985, they were large for Bangladesh and growing annually. Previously, in 1977-78, there were only nine

export-oriented garments factories in Bangladesh. By 1986, the number of firms increased to 744. RMM2 too was pulled into the garments manufacturing industry by the rapidly increasing growth prospects of the garments industry in Bangladesh. MM2's growth can also be attributed to its low cost labour force and low technology production.

Cheap labour was one of the influential features which attracted the US based buying agent to collaborate with MM2 and export garments to North American market. Simple technology of making garments, basically involving 'cutting and making' (CM) also made it easier for MM2 to move in apparel manufacturing industry and grow gradually.

Apart from above mentioned favourable external market conditions, dependency on imported materials was acknowledged as a risk by the owner of MM2. Its production and exports were entirely dependent on the use of imported raw materials, especially fabric because of the trend of MM2's buying agent to specify the sourcing of fabric.

In Bangladesh, the RMG industry started in the late 1970s. It was made with small-scale independent investments in the early 1980s. Within a decade, it had flourished and by the end of 1990s it had emerged as a prominent player of Bangladesh economy. The export-quota system and availability of cheap labour are two main reasons behind the success of this industry. Policy reforms undertaken by the government had also created a congenial environment for the expansion of garment industry. For example, relaxation of investment sectioning procedures, institution of back-to-back Letter of Credit (L/C) system.

The export-oriented RMG industry has shown a spectacular growth during the last two and half decades (Yunus, 2010). It has around 4,250 units across the country. Ninety five per cent of these firms are locally owned with a few foreign firms located in Export Processing Zones (EPZs). The RMG firms are mainly located in the capital city Dhaka, the industrial city Narayangonj and the port city Chittagong. The industry employs more than two million workers, 80 per cent of whom are women.

Bangladesh's exports are heavily concentrated (75 per cent) in the RMG sector. RMG products are mainly exported to the United States of America and the European Union. These two destinations account for 90 per cent share of the country's total earnings from garments exports (Bangladesh Garment Manufacturers and Exporters Association BGMEA, 2011). Bangladesh currently exports over AUD11.15 billion in textiles and garments with a projected target of AUD24.32 billion by 2020 (Bangladesh Garment Manufacturers and Exporters Association BGMEA, 2011).

Venture concept

The venture concept of MM2 involved the potential growth objectives of RMM2. To escalate the firm's potential to grow; three diverse growth objectives were in effect. RMM2 planned to improve production quality and move in competently-styled garments manufacturing. Her plan was successful when thirty two workers and managers received comprehensive training for both technical and managerial skill development. With improved skill level MM2's production quality was upgraded. During 1998-99, RMM2 focused on identifying local sources of fabrics. Her intention was to reduce dependency on imported raw materials by 50 per cent. By 2001 she was successful in lessening the reliance on foreign fabrics by 60 per cent and therefore reducing material costs.

The growth potential of MM2 was noticeably increased after RMM2's decision to sell directly to foreign buyers without involving buying agents. She projected MM2's increased profit not being shared with commission agents. For convincing overseas buyers, RMM2 decided to cut down existing product price and thus from 2002, MM2 was able achieve higher growth.

Growth Resources

Growth resources of MM2 included financial, social and physical resources. MM2 was initiated with RMM2's family investment. Later on, bank support was also provided in the form of a Letter of Credit (L/C). The powerful position of RMM2's husband among civil servants provided MM2 with strong social capital. With his influential status, RMM2 was able get easy government approvals. This enabled her

to get early notifications of important government policies which allowed her time to plan ahead compared to her competitors in the market.

Having her own manufacturing factory was considered as an important factor for her selection as a RMG manufacturer from Bangladesh by foreign buyers. MM2's production machines and equipment were good and she was able to convince foreign buyers to select her as a manufacturer. Links to low cost labour was the most important human resource for MM2. RMM2 was able to improve MM2's technical and managerial skills by providing extensive training.

Growth Actions

Initially, MM2's production quality was very basic. Due to low skilled workers, MM2 concentrated its production on a limited number of easy-to-make items. In 1990, thirty two workers and managers were sent to the US for training. A one-month formal training was provided which was followed by another month 'learning-by-doing' training at MM2's production facility. The selected trainees were then able to form a sound technological and managerial base at MM2. With trained workers and developed skills, MM2 successfully gained a professional standard of operations. MM2's complete dependence on imported fabrics was considered as a threat to continuous production. As a solution to this problem, RMM2 was able to spot a few alternate suppliers from the local primary textile sector (PTS) for acquiring essential quality fabrics. From 2001, MM2 started manufacturing with 40per cent local fabrics. With shorter lead-time and less expensive materials MM2 was still able to meet buyers' specifications.

The export earnings were shared between MM2 and its buying agents. RMM2 decided to establish direct links with foreign buyers so that the role of commission agent became redundant and profit was no longer shared. A strong market position was already created by MM2 and RMM2 was not unknown to buyers. When the buyers were approached directly with a reduced price, they agreed on the new conditions which were more favourable for them too. By 2002 a direct sales relationship was established by MM2 with its overseas buyers.

Conclusion

MM2's business growth was subject to a number of individual, internal and external factors. The level of support provided by framework elements to the growth of MM2 is set out in Table E2.

Table E2 Framework elements to MM2's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
Individual Factors					
Capabilities				×	
Growth aspirations				×	
Family support					×
Internal Firm Environment					
Entrepreneurial ability				×	
Managerial ability				×	
Technical ability			×		
External Environment					
Product market					×
Opportunities					×
Government support				×	
Risk and uncertainty					×
Growth Resources					
Financial					×
Social					×
Physical					×
Growth Actions					
Product quality improvement				×	
Cost reduction				×	
Direct sales to buyer					×

Table E2 shows, RMM2's *Capabilities* include vision and risk taking tendency which had **high** inputs into firm growth. The owner was also motivated with her **high** *growth aspirations*. Her husband's support and mother-in-law's care played a vital role for the prospect of MM2. Therefore, the importance of *Family support* was **very high**.

The change in global apparel production location created the opportunity for MM2 to step into the garments industry. The level of support from *Product market* was **very high**. MM2's higher growth propensity can also be credited to its low cost labour force and simple technology production. Levels of input from the

Opportunities created by low wages and technical simplicity were **very high**. The importance of *Supportive government* policies was also **high**. However, dependency on imported materials was a threat and provided a **very high** level of *risk and uncertainty* for the growth of MM2.

RMM2's *family investment* and *bank support* in the form of L/C provided a **very high** input as financial growth resources. The *influential position* of RMM2's husband provided a **very high** level of initial support for MM2 to get into business and later on to maintain a business network of professional relations. RMM2's *compliance factory* with sufficient *machineries* and *equipment* provided a **very high** level of support. The level of importance for overseas training to workers and managers was **high** for improving *product quality*. Identifying suppliers from the local Primary Textile Sector (PTS) and establishing a direct sales relationship with buyers provided a **very high** level of support for *reducing material cost*.

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MEDIUM MANUFACTURING 3 (MM3)

MM3 is a leather product manufacturing venture. It was established in 2003 in Hazaribagh which is an old tannery district of Dhaka, Bangladesh. MM3 manufactures a wide range of leather goods, blending traditional craftsmanship with modern technology. Products of MM3 include fashionable leather clothing, foot wares, wallets and home décor items. MM3 operates two manufacturing facilities. The second site, which is a manufacturing and retail outlet, has been in operation from 2007. It is situated in Savar, 24 km to the northwest of Dhaka. By 2007, MM3 also had set up a modern tannery facility with an annual output of 1500 square feet of leather. The tannery was setup to ensure a constant regular supply of cheap raw materials throughout the year. MM3 employs 110 workers with a production capacity of 500 jackets, 6,000 wallets or bags and 600 foot wares a month.

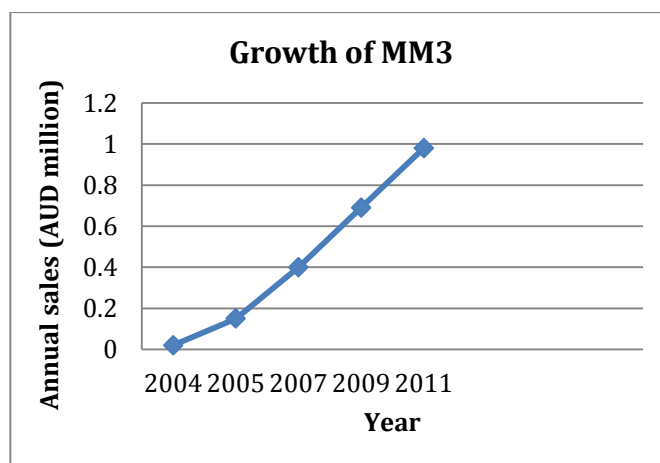
MM3's sales occurred through two small retail outlets within two manufacturing facilities. However, about 80 per cent of the retail sales still are from the sales in International Trade Fair stalls. Another form of MM3's sales involved direct sales to organisations who order large bulk specially manufactured items with logos. MM3 emerged as a successful and growth oriented venture through owner RMM3's creativity, as well as insightful and timely decisions. As a result, she was awarded the 'National SME Women Entrepreneurship Award' for her business leadership and success with this firm (Rahman, 2011).

History of the firm

In 2003, MM3 emerged as one of the very few leather products manufacturing ventures created and owned by a women leather technologist. Hazaribagh is an area in which most of the country's most tanneries and small footwear shops exist. The journey of MM3 began in a small room at Hazaribagh, with only one hired worker. The small rented room was divided into two parts. The front part was used as showroom and the back was used as factory. It was formed with RMM3's little investment (AUD 150) which she managed to save from her private tuition work. Initially MM3's production was carried out with one sewing machine only. However, within a year the scenario changed and the business started growing. In 2011, it is

considered as one of the most successful women-owned medium-sized leather product manufacturer of Bangladesh.

Figure E3 Annual sales MM3, 2004-2011



Source: Annual financial report (MM3, 2011) and personal communication (2012)

MM3's growth pattern is illustrated in the line chart in Figure E3. Initially MM3 started supplying notebook covers for local commercial banks. By the end of 2004, the annual sales were AUD0.02 million. MM3 grew slowly during 2005 with annual sales of AUD0.15 million. Since 2006 it had a stable strong growth. From 2006 it started producing corporate gift items for various ready-made garments manufacturers and annual sales increased to AUD0.4 million by 2007. An additional manufacturing and retail outlet was also in operation from 2007 and total number of workers was increased to seventy.

Sales of large bulk orders from organisations involving logos and other specific requirements have been a strong part of the sales which has been around 50per cent of total sales of MM3. In 2008, MM3 received a large work order supplying to Bangladesh's most renowned multinational tobacco company. Due to this significant addition to MM3's clientele, annual sales worth AUD.069 million in 2009 and the number of workers increased from 70 to 90. In 2010-11, annual sales were AUD0.98 million with a total of 110 workers.

Applying the framework to MM3

Individual factors

RMM3's *Individual factors* played an important role for the growth of MM3. While studying in Bangladesh College of Leather Technology, RMM3 realized that the number of good designers and educated business people in leather industry was small. RMM3 was attracted by the business opportunity raised from the absence of leather technologist in the industry. In 2003 she established MM3 immediately after she graduated. Apart from the study, in Germany and India she also received some training in designing leather goods.

However, her parents were not happy with her decision to start a business. "My parents were against my decision of starting business. Rather, they wanted me to find a job which would provide a secure income" (RMM3). RMM3 had to leave her parents' house and stay in the college dormitory. It took three years to convince her parents that she took the right decision. RMM3 was married in 2007. Her husband was also a leather technologist and worked as an advisor in a private leather manufacturing company. Her husband has been supportive to her business and provided his insights into the business if needed.

Internal environment factors

Prosperous growth operations of MM3 were the results of RMM3's entrepreneurial capabilities. Leather product manufacturing was not among the commonly practiced businesses by the women entrepreneurs in Bangladesh. RMM3's risk taking ability allowed her to invest in her own business when even her family was not supporting it. Her efficiency of resource allocation and accurate decision making ability confirmed a strong market base for MM3. She had the courage take the challenge of being a leading player in a male dominated industry. Moreover, she was an innovator in creative designing as she produced a different form of leather by mixing it with jute. This form of production reduced the cost of producing by decreasing material cost and gave the product a different and fresh look which was much appreciated in the market.

This special form of leather production can also be attributed to RMM3's technical competence which she gained from her four-year education background (Rahman, 2011). It was further improved by overseas training in designing, pattern-making and processing leather products. Managerial competence of MM3 was generated by hiring a group of skilled management staff. A few times, RMM3 has also undertaken short training on managerial issues for ensuring her proper control over the management employees.

External environment factors

MM3's success and growth can also be credited to the pull factors of its external business environment. Large domestic market for leather products was the main factor behind the emergence and subsequent progress of MM3. Absence of good and qualified designers in leather industry acted as an opportunity for MM3 to enter and flourish rapidly.

Local supply of cheap hides and skins, the basic raw materials of leather goods was another influential element from MM3's external business environment. Apart from the annual Muslim festival Eid-ul-Azha, Muslim weddings and other celebrations yield a substantial supply of hide and skin throughout the year (Zahur, 2009). Growth of MM3 can also be attributed to its cheap labour force. RMM3 was pulled into the leather business by the idea of taking advantage of the low-cost and experienced labour force available in the area Hazaribagh, Dhaka.

Consumers' preference for imported leather products acted as barrier for the growth of MM3. Instead of a large domestic market, lack of knowledge about the quality of produced goods among general consumers is considered as a risk by RMM3. However, the opportunity of bulk sales to large organisations provided a base upon which the risk was reduced significantly.

The leather industry in Bangladesh has been an important foreign exchange earner. It has traditionally been exporting raw materials, and to a lesser extent, finished leather. The industry is based on the use of indigenous cowhides and goatskins (Zahur, 2009). A skilled yet inexpensive workforce also added to the advantage of

this industry. However, in spite of these advantages and a great growth potential, the leather industry in Bangladesh failed to attract policy support from the government (Zahur, 2009). While studying leather technology, RMM3 realized that Bangladesh leather industry was neglected by the government. The number of educated business owner was very small and qualified leather technologists were reluctant to start their own factory. The industry did not have good designers and in most cases designs were copied from external sources. In this context, RMM3 decided to take the challenge to invest in male-dominated leather industry and blend traditional craftsmanship with modern technology. This opportunity was successfully realized by RMM3 and she was able to satisfy consumer demand in the local market.

Venture concept

The venture concept of MM3 was made up with RMM3's potential growth goals. For accelerating MM3's growth propensity, a twofold plan was initiated by RMM3. The first phase of the plan was a mechanical experiment. With a strong technical background, she decided to be creative and combine leather with jute to produce something different and innovative. Her experiment was successful and she was able to ensure modern design with durability. With this effort, material costs were reduced as jute costs much less than leather and chances of profit were increased.

The second phase of the plan involved market promotion of MM3. It was realized by RMM3 that although people in general use locally produced garments, they still prefer to use imported wallets, bags, belts and other leather items. She wanted to find a way to inform consumer more about the quality and price of locally produced leather goods. RMM3 then attended the International Trade Fair in Dhaka 2004 with a large stall for MM3. All the products were displayed with special promotional prices which attracted a large number of buyers. Growth prospective for MM3 was improved it was able to achieve initial strong growth.

Growth Resources

The steady growth of MM3 involved a varied combination of growth resources which include organisational, physical and financial resources.

Skilled and experienced workers have been a part of MM3's organisational resources. Organisation structure of MM3 was quite simple with three levels in it. RMM3 herself is at the top level with five managers at the middle level supervising a hundred workers at the bottom level. Machine operators and maintenance technicians worked at the same level as production workers. RMM3 greatly valued owner-worker relationship as she realized the gap between the number of skilled workers and their demand in the expanding leather industry in Bangladesh. Physical resources of MM3 include raw materials and technology of production. Domestically available quality raw hides and skins of cows and goats throughout the year was an easy source of materials. MM3 also had a backward linkage to secure the input materials from their own tannery from 2007. The innovative way of combining leather with jute can be recognised as the most important technological resource of MM3.

Financial resources of MM3 were made up with the personal savings of RMM3. She managed to save a very little amount which she invested in buying a sewing machine for MM3 and paying workers (Rahman, 2011). No financial support was received from her family or any financial institution. Gradually MM3's own profits were reinvested into its business.

Growth Actions

Growth actions of MM3 consist of a twofold growth plan by RMM3. As the venture was created with a very little investment, RMM3 realized that, the optimization in the use of resources must be ensured for the survival and growth of MM3.

RMM3 possessed distinctive comparative advantage as she was a qualified leather technologist. The first phase of the growth plan was based on her ability to create a unique form of leather product which can satisfy consumer demand for nice looking yet durable products. RMM3 decided to mix leather with jute, which is another low cost and easy to get strong material in Bangladesh. With this combination of materials, she was successful in differentiating MM3's product from rest of the market. This innovation was later on copied by other manufacturers. However, RMM3 still had the first-mover advantage which made her success ongoing and provided the growth.

The second phase of the growth plan was based on RMM3's ability to reach actual consumer which according her was harder than the technical experiment of the materials. As she had just graduated from the school and was absolutely new to industry networking for her was a great challenge. Then she decided to attend the International Trade Fair held in Dhaka, 2004. Different looking products were nicely displayed and offered with special promotional prices. This effort was successful in attracting consumers and since 2004 it has been a regular annual event for MM3.

Conclusion

The growth of MM3 was affected by a number of individual, internal and external factors. The level of support provided by framework elements to the growth of MM3 is set out in Table E3.

Table E3 Framework elements to MM3's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
<i>Individual Factors</i>					
Capabilities					×
Growth aspirations					×
Family support	×				
<i>Internal Firm Environment</i>					
Entrepreneurial ability				×	
Managerial ability				×	
Technical ability					×
<i>External Environment</i>					
Product market				×	
Opportunities				×	
Government support		×			
Risk and uncertainty			×		
<i>Growth Resources</i>					
Financial				×	
Organisational					×
Physical					×
<i>Growth Actions</i>					
Product quality improvement					×
Cost reduction					×
Technological development					×

Table E3 depicts that individual *Capabilities* of RMM3 include her educational background and strong motivation to start her own business which had **very high** inputs into the growth. The level of support provided by *family* was **very low**. However her *growth aspirations* had a **very high** level of support for MM3's growth. The levels of support provided by RMM3's *entrepreneurial* and *managerial abilities* were **high**. Further, four-year education provided **very high** level of *technical* support for the growth of MM3.

With a huge population in the country, *product market* for locally produced leather goods was **high**. A **high** level of *opportunities* was created with low cost raw materials and cheap labour. Level of support provided by *government* was **low**, as RMM3 still gets the tax exemption, because she belongs to SME sector. However, the leather industry is still not getting enough attention from the government. Consumers' preference for imported leather goods and their lack of knowledge about local products imposed **moderate** level of *risk and uncertainty* for firm growth.

Personal savings of RMM3 and reinvestment of profit provided a **high** level of support as financial resources. A **very high** level of *organisational* support was provided by skilled workers and simple organisation structure. As *physical resources*, low cost local raw materials and advanced technology of production provided a **very high** level of input for MM3's growth. The level of importance for innovative production was **very high** for improving *product quality, reducing production cost* and achieving *technological advancement* in production.

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MANUFACTURING MEDIUM 4 (MM4)

MM4 is a decorative and architectural art glass manufacturing company. MM4 was started in 1998 at Eskaton, in the heart of Dhaka. It produces various types of decorative glasses such as stained glass overlay, traditional stained glass, coloured glass and etched glass. In 2000, MM4 shifted to a larger studio with a retail outlet at Gulshan, which is an affluent neighbourhood and a commercial-cum-residential area of Dhaka. In 2005, a second showroom was opened in the country's second largest city Chittagong. At present, MM4 has 124 employees, of whom 35 per cent are women (MM4 website).

In MM4, strict safety measures are taken and superior technical disciplines and craftsmanship are emphasised for producing art glass. Using techniques ranging from traditional to advanced, products are custom designed with creativity, imagination and sensitivity. At present MM4 has become a full service decorative glass manufacturer supplying residential, commercial and religious establishments.

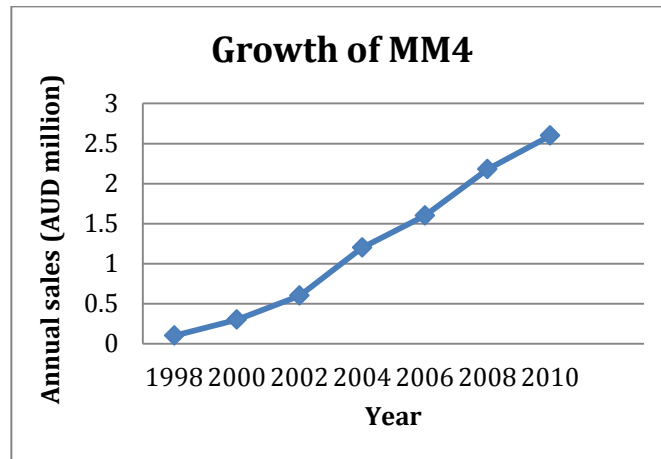
The success of MM4 as well as the owner's creativity and business leadership has been acknowledged a number of times. RMM4, the owner of MM4 received the award of the "Outstanding Women Entrepreneur". She was awarded as "Outstanding Women in Business of the Year". She also received the 'Most Outstanding Women Entrepreneur (Asia)' from the 3rd Businesswomen's Forum in Islamic Countries which was organised by Islamic Chamber of Commerce and Industries in Doha (Akter, 2009).

History of the firm

MM4 was set up as a small enterprise in 1998 with two workers in a small 400 square feet studio. Initially it started producing easy forms of architectural glasses. MM4's business started with a residential interior decorating project. Soon it started working for restaurants and corporate houses. To widen the product range from simple to sophisticated designing, in 2000, MM4 moved into a 2,200 square feet studio with a retail sales showroom (MM4 website). Massive demand in the local market led MM4 to open a second showroom. With two grand showrooms in the

country's two largest cities, MM4 is now considered Bangladesh's leading crafted art glass designer, producer, and supplier and holds nearly 40 per cent share of the total market (Akter, 2009).

Figure E4 Annual sales MM4, 1998-2010



Source: Annual financial report (MM4, 2011)

The growth pattern by annual sales of MM4 is illustrated in Figure E4. In 1998, MM4 completed the first interior decoration of a residential house. Annual sales were AUD0.10 million. With an increasing demand, in 2000, the larger manufacturing and retail outlet yield around AUD0.30 million. In order to achieve a higher level of growth, in 2002, an agreement was signed with a California based international franchise company which was very important for MM4 to expand further into a full service studio specialising in a wide array of designer glass products. Due to this arrangement, there has been an inflection where the growth rate has increased significantly and that has maintained ever since. During 2002 to 2004, the annual sales increased from around AUD0.60 million to AUD1.20 million. An additional retail outlet was in operation from 2005 and the annual sale was around AUD1.60 million. MM4 started franchising wood-iron composite products in 2008, which increased the sales up to AUD2.18 million. During 2009-10 annual sale were around AUD2.60 million.

Applying the framework to MM4

Individual factors

The *Individual factors* of the owner, RMM4 were important for the growth of MM4. In 1975, when she was a law student at University of Dhaka, RMM4 worked as a voluntary worker. "I signed up as a voluntary worker at one of the oldest handicraft organisation of Bangladesh" (RMM4). After being a regular staff member in 1976, she started managing the company's marketing, sales and inventory activities altogether. At that time, she became involved with the renowned designers of the country. "I was fascinated with the idea of creating art" (RMM4). Her desire to explore crafts and designs started growing which created a strong *motivation* and *aspiration* in her.

RMM4's *capabilities* include strong educational background and previous work experience. In 1977 RMM4 was awarded a one-year scholarship for a diploma programme on small business management from Ford Foundation at Washington DC (Akter, 2009). This opportunity to learn more on business enhanced her business capabilities that she has already gathered from her experience and also provided her with an important academic background. "During the scholarship programme, I found business more interesting compared to practising law" (RMM4). Therefore, after returning from the US, she completed an MBA from the Institute of Business Administration at University of Dhaka and was determined to start her own venture.

RMM4 was married in 1980 and joined her husband who was setting up a garment factory in 1981. Soon the company started exporting to the US and Europe and RMM4 was busy overseeing its sales and marketing. Over the years, the company employed a good number of qualified people and RMM4 found the time to start her own business. Her passion for art and creativity, directed her to be in a creative industry.

RMM4's family has been involved in politics and governments for years as well as in business. Her father was in government service and father-in-law was the former Information Minister. Her husband was the former President of the Dhaka Chamber

of Commerce and Industries. “This background of mine brought me to where I am today” (RMM4). She had access to the country’s most influential people which facilitated the start-up and growth of MM4.

Internal environment factors

Successful growth operations of MM4 were the results of RMM4’s entrepreneurial capabilities. In Bangladesh, the idea of decorative glass manufacturing was entirely new. The abilities of RMM4 to identify and act upon opportunities for a profitable business provided MM4 with the strong base to grow. She was an innovator from the point of view of introducing something new to the market and creating a demand for it. MM4’s strong market base was confirmed by effective allocation of resources and decision making ability.

RMM4’s managerial experience both in handicraft organisation and husband’s garment factory provided MM4 with managerial competence. She was able to take this experience from a core business area in Bangladesh, to a new area of business. This was enhanced further by providing training to management employees on a regular basis. The growth of MM4 can also be attributed to its technical competence. RMM4 received training in several areas in decorative glass making from the US, Thailand and India. She also arranged regular overseas training for MM4’s technical workers, mainly to Thailand and India for their skill development.

External environment factors

An important role was played by the external pull factors for the establishment and growth of MM4. The idea of working with decorative glasses came up when RMM4 was building their house and was not able to find etched and stained glasses in the local market. “Unavailability of decorative art glasses in the local market prompted me to get involved in such a business,” (RMM4). The opportunity for a local manufacturer of designer glasses was apparent by which RMM4 was pulled into business. As a result of this opportunity, MM4 created a local market for art that became large and growing. A large and growing local market for art glasses was also an important element behind the creation and development of MM4.

Lack of skilled workers in decorative glass industry acted as a barrier for the growth of MM4. Despite of a large domestic market, there are no training facilities yet in the country. However, RMM4 arranged overseas training for workers on a regular basis and therefore was able to overcome the barrier.

Venture concept

The venture concept of MM4 involved the potential growth objectives of RMM4. Three different growth objectives were in operation for increasing MM4's growth potential. Initially MM4 started with an easy form of decorative glasses. However, RMM4 wanted to improve the quality of production. The production quality of MM4 was improved when workers received training from Thailand and India. With improved level of skill, developed product lines were introduced.

Raw materials for decorative glasses were initially imported. Prices of the materials were also high. RMM4 wanted to reduce the cost of production by reducing production dependency on imported materials. In 2000, she started identifying local sources of materials and she was successful in finding two of them by 2001. Although 70per cent of the materials are still imported (MM4 website), a 30per cent reduction in imported materials has significantly decreased the cost of production.

MM4's growth potential was considerably increased when it signed an agreement with a North American art glass manufacturing company. This company is an international franchise based in California and now operates in Bangladesh under a franchise agreement with MM4.

Growth Resources

Growth resources of MM4 included financial, social and human resources. MM4 did not ask for any support from banks or financial institutions. Personal savings of RMM4 and family resources were used for MM4's start-up and profit surplus was reinvested for financing its subsequent growth. Social capital in the form of RMM4's network has played an important role for the growth of MM4. Her powerful family position has been an important source of necessary business contacts, information

and support. Human resources of MM4 included low cost labour. RMM4 was able to improve their level of skill by providing overseas training.

Growth Actions

Initially, the production of MM4 was limited to easy forms of art glasses. In 1999, a group of production workers was sent to India for training. The same year, another group of workers received their training from Thailand. With trained workers and improved skills, MM4 was able to form a strong technological base and achieve a high standard of production.

Dependency on expensive imported materials was a barrier to the growth of MM4. RMM4 was able to identify two alternative suppliers from the local market and able to reduce dependency on imported materials by 70 per cent. With less expensive local materials RMM4 overcame the barrier of high cost of production. A strong market position had already been created by MM4. However, with a further aim to expand, in 2002 RMM4 approached the largest producer of art glass in the US and entered into a franchise agreement with it. Growth action of RMM4 was successful and MM4 was upgraded as a full service studio capable of providing the entire range of decorative and architectural art glass.

Conclusion

MM4's growth was influenced by a number of individual, internal and external factors. The level of support provided by framework elements to the growth of MM4 is set out in Table E4.

RMM4's individual *capabilities* include her educational background in business and strong motivation to start her own venture which had **very high** inputs into the growth. She was also driven by **very high growth aspirations**. Her strong family background both in business and politics provided a solid base for the prospect of MM4. Therefore, the importance of *family support* was **very high**.

Table E4 Framework elements to MM4's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
Individual Factors					
Capabilities					×
Growth aspirations					×
Family support					×
Internal Firm Environment					
Entrepreneurial ability				×	
Managerial ability					×
Technical ability					×
External Environment					
Product market				×	
Opportunities				×	
Government support		×			
Risk and uncertainty			×		
Growth Resources					
Financial					×
Social					×
Human				×	
Growth Actions					
Product quality improvement					×
Cost reduction					×
Technological development					×

Table E4 shows that, the level of support provided by RMM4's *entrepreneurial abilities* was **high**. Her long working experience in a *managerial* position provided a **very high** level of support for MM4. Technical abilities were created from overseas training on glass decoration which provided a **very high** level of support for firm growth.

With a growing demand in local market, the level of support provided by *product market* was **very high**. Absence of local producer in the art glass industry also created an *opportunity* and provided a **very high** level of support for the growth of MM4. Imported raw materials and its high prices were business risks. However, *risks* were **moderated** by local sourcing of materials. Level of support provided by the *government* was **low**, as the industry still is not getting any specific support from the government; however the owner has been able to gain some small support as a general women-based small sized business.

RMM4's personal savings and family resources provided a **very high** level of support as financial resources. A **very high** level of *social* support was provided by RMMM4's family background in the form of her business networks. MM4's *human resources* provided a **high** level of support in the form of low cost labour for reducing production cost and increasing profit, but still requires sending overseas at a cost. Overseas training for technical workers provided **very high** level of support for *improving product quality*. Local sourcing of production materials provided a **very high** level of support by *reducing production cost*. MM4 went under an international franchise agreement which provided a **very high** level of support for *technological advancement*, provided the change in the approach that the company made from having a reasonable growth to having a stronger growth.

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SMALL MANUFACTURING 1 (SM1)

SM1 is an export oriented craft manufacturer of metals, tin and glass materials. The metal factory of SM1 was established in 2004 at Uttara, Dhaka. The following year, a glass factory was also added to it. SM1 is well-known for its innovative way of transforming waste items into exportable products. Uniquely attractive products of SM1 include metal garden accessories, bakery utilities, shoeboxes, umbrellas, candle stands, vases, jugs, glasses, and bowls. Since 2006, the handicrafts have been exported to Sweden, Germany, Norway, and Denmark. SM1 recently started supplying to the local market, although the bulk of the products are manufactured for export. It is a fast growing small manufacturing factory employing a total of 45 people.

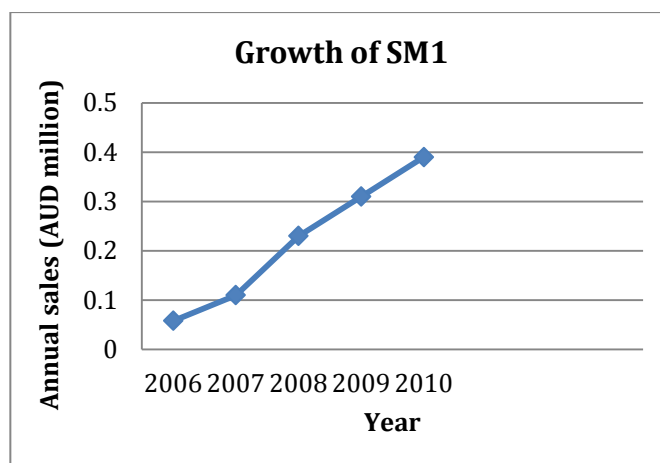
RSM1, the owner of SM1, was recognised as one of the most innovative woman entrepreneurs in the country. She received huge appreciation for recycling metal and glass items into profitable products. Her creativity and innovativeness has been acknowledged. She was awarded with the 'Best Innovative Woman Award' by the Dhaka Chamber of Commerce and Industries. She was also awarded with the 'Outstanding Woman in Business Award' for the success and business growth of SM1 (Hasan, 2010).

History of the firm

In 2004, SM1 was setup as one of the first recycled-metal producers of the country. The venture was created with an investment of about AUD 1,200. The production was carried out by four workers with two machines in a small metal factory. SM1 was successful in attracting foreign buyers with the simple and rustic look of its products. As an addition to the product line, in 2005 a 500 square feet glass factory was also established and six more workers were recruited. Recycled glass products were equally appreciated by the overseas buyers and SM1 securing significant orders from Europe. Growing demand in the foreign market led SM1 to expand the area of its metal factory and involve more people in the production process. In 2008 another 500 square feet areas, with three more machines, were added. With two

factories and 45 employees, SM1 is now considered as one of the most successful women-owned recycled-metal producer and exporter of the country.

Figure E5 Annual sales (exports) SM1, 2006-2010



Source: Annual financial report (SM1, 2011)

The growth pattern by annual exports of SM1 is illustrated in Figure E5. In 2006, the first export shipment of SM1 was made to Sweden and Norway worth AUD0.058 million. Despite the small export volume in 2006, SM1 grew slowly and its export earnings increased by AUD0.11 million in 2007. In the same year, RSM1 attended an International Trade Fair at Frankfurt in Germany. SM1's low cost recycled metal and glass products caught buyers' attention and it secured some regular orders from Germany and Denmark. Due to these sales orders, in 2008, there was an increase in sales growth worth AUD0.23 million. Since 2009 it has experienced a steady strong growth. From 2009 to 2010, the annual sales increased from AUD0.31 million to AUD0.39 million.

Applying the framework to SM1

Individual factors

The *Individual factors* of RSM1 played an important role for the growth of SM1. In 1998, RSM1 married a businessman who owned a handicraft business. With her husband, RSM1 used to visit some international trade fairs in regard to her husband's business. In one of those fairs, she found Vietnamese traders showcased

recycled glass and tin made items for export purposes. “I was amazed with the simplicity of those products” (RSM1). She was inspired to do something similar with easily available materials. This inspiration created a strong *motivation* as well as *aspiration* in her.

Individual *capabilities* of RSM1 include her educational background. In 1997, she graduated from Home Economics College Dhaka where she learnt craft making. This provided her with a basic craft making background which she was able to enhance further with some *experience* in making jewellery and some other handicraft products while she helped her husband in his business.

Family support played an important role for the prospect of SM1. Being a daughter of a businessman, RSM1 took a keen interest in entrepreneurship like her father. However, she married immediately after her graduation and did not have the chance to start a business. Years later, when her children were in school and she found some time for herself, she began to pursue her interest in business more seriously. Her husband has always been supportive towards RSM1 and the business. “He always shared his business experiences with me so that I could learn from what he has been through” (RSM1).

Internal environment factors

RSM1’s entrepreneurial capabilities and her influences on the successful operations of SM1 are important for the growth of SM1. She took the challenge of stepping into an unconventional area of manufacturing, about which little was known. Furthermore, RSM1 was innovative from the point of view of converting waste items into home decorative products and therefore was successful in attracting foreign buyers. This form of production was cost effective in transforming low-cost resources into profitable exportable items which was much appreciated in the international market.

Technical abilities of SM1 was created with RSM1’s educational background and training in craft making which she gained from studying in Home Economics College Dhaka. Her experience in craft making was enhanced further while she made

jewellery for her husband's business which she continued until starting her own business. Managerial capabilities of SM1 were created by the provision of managerial training to the small group of management employees. In 2006, three management employees were recruited and SM1 provided them with three months managerial training. During the training, employees were kept under observation for working attitude.

External environment factors

Pull factors of external business environment played a significant role for the success and growth of SM1. The idea of creating decorative products out of waste items was unique. The opportunity for a low-cost manufacturer of home decorative products was positive by which RSM1 was pulled-into business. As a result of taking advantage of this opportunity, a place in the international market was created by SM1 which eventually grew further. A level of demand in the international market was an important factor behind the emergence and business growth of SM1. SM1's growth can also be attributed to low-cost labour force and a simple production process. Easy availability of local supply of cheap steel and glass, the basic materials be transformed into products was another element of external environment which influenced the growth.

SM1 encountered competition from China and Vietnam (Hasan, 2010). However, based on low-cost production, SM1 was able to secure a certain portion of international market and was also able maintain a steady growth in sales.

Venture concept

The venture concept of SM1 was made up with RSM1's potential growth objectives. Initial experimental production of SM1 began with simple transformation of waste-metals into decorative items. Only a few products were made and sent to Europe as samples. RSM1 received some orders from Sweden and Norway. Four manufacturing workers were hired for SM1 and were trained for three months by RSM1 herself. In 2006, SM1 was successful in exporting the first consignment (Hasan, 2010). Transformation of waste-glass items into decorative products was the subsequent phase of production intended by RSM1. Although glass made

products required much delicate-handling which was an issue while shipping them abroad, RSM1 was successful in exporting a new line of products by 2007.

In 2007, growth propensity of SM1 was increased significantly. With an intension to increase the sales of SM1, RSM1 visited the international trade fair in Germany. Unique recycled metal and glass products were able to attract buyers' attention and some regular large orders were secured from that trade fair which influenced the growth of SM1.

Growth Resources

Growth of SM1 involved a combination of growth resources which include physical, human and financial resources. Physical resources of SM1 include raw materials and technology of production. Locally available low-cost metal and glass materials were an easy source of materials. The innovative way of transforming metal and glass wastes into decorative items was the most important technological resource of SM1. Human resources of SM1 included low cost labour. RSM1 was able to improve their level of skill by providing them on-the-job training.

Financial resources of SM1 were made up with the family savings of RSM1 and her husband. Initial expenses of setting up production facility, training workers and buying raw materials were borne by RSM1's husband. No financial support was requested from financial institutions except for the Letter-of-Credit. SM1's business profits were gradually reinvested into its operations.

Growth Actions

Growth actions of SM1 were based on RSM1's competence in craft making. She was a qualified craft maker and her creative abilities were further developed while she made handicraft items for her husband's business. SM1's growth was based on her ability to create a unique form of product which could attract customers' attention. RSM1's innovative form of transforming metal and glass recycled items into decorative products was a successful growth action of SM1.

Initially, the transformation process was limited to simple forms of production. Manufacturing workers were trained by RSM1 herself and product features were strictly maintained by RSM1. Gradually, as RSM1 and the workers made progress over time, SM1 moved into much complicated form of production. With improved skills and experienced workers, SM1 was able to create a strong technological base and most importantly was able to differentiate SM1's products from rest of the market.

A small portion of international market had already been taken by SM1. However, with an aim to expand further, RSM1 decided to display SM1's distinctive products in the international trade fair in Germany. The products were appreciated and RSM1 was successful in securing some regular orders from German and Danish buyers. This effort of RSM1 was another effective growth action for SM1.

Conclusion

Growth process of SM1 was influenced by number individual, internal and external factors. The level of support provided by framework elements to the growth of SM1 is set out in Table E5.

Table E5 shows that, individual *capabilities* of RSM1 include her educational background and strong motivation to start her own business which had **very high** inputs into the growth. Her *growth aspirations* had a **very high** level of support for SM1's growth. The level of support provided by *family* was **very high**. The levels of support provided by RSM1's *entrepreneurial* and *managerial abilities* were **high**. However, three-year education and training in craft-making provided **very high** level of support for the growth of SM1.

With a growing demand in international market, the level of support provided by *product market* was **very high**. With only a few numbers of low-cost producers in the industry, *opportunity* provided **very high** level of support for the growth of SM1. Level of support provided by the *government* was **low**, as the industry still is not getting any specific support from the government; however the owner has been able to gain some small support as a general women-based small sized business.

Competitors from China and Vietnam imposed **moderate** level of *risk and uncertainty* for firm growth.

Table E5 Framework elements to SM1's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
Individual Factors					
Capabilities					×
Growth aspirations					×
Family support					×
Internal Firm Environment					
Entrepreneurial ability				×	
Managerial ability				×	
Technical ability					×
External Environment					
Product market					×
Opportunities					×
Government support		×			
Risk and uncertainty			×		
Growth Resources					
Financial					×
Physical					×
Human					×
Growth Actions					
Product quality improvement					×
Cost reduction					×
Technological development					×

RSM1's *family investment* and *bank support* in the form of Letter of Credit provided a **very high** level of support as financial resources. Cheap local materials and simple technology of production provided a **very high** level of input into SM1's growth. Low-cost labour also provided SM1 with a **very high** level of support for growth. The level of importance for innovative production was **very high** for improving *product quality, reducing production cost* and achieving *technological advancement* in production.

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SMALL MANUFACTURING 2 (SM2)

SM2 is a manufacturing firm, producing modern bathroom fittings from fibreglass. It was started in 2006 at Dakshin Khan, Dhaka by manufacturing fibreglass bathroom fittings of shower trays and corner trays, later expanding their production to large waste bins, bathtubs and as a by-product, bonsai containers; principally catering to the domestic demands of sanitary ware traders. The production capacity of SM2 includes 200 bathtubs and 350 other items a month. At present it employs 35 workers (SM2, website).

SM2 emerged as a developing and growth oriented venture through the modernism and innovativeness of its owner RSM2. She was acknowledged for introducing local production of fibreglass materials which was earlier imported from China and South Korea. RSM2's creativity was acknowledged and she was awarded the 'National SME Women Entrepreneurship Award' (Rahman, 2011).

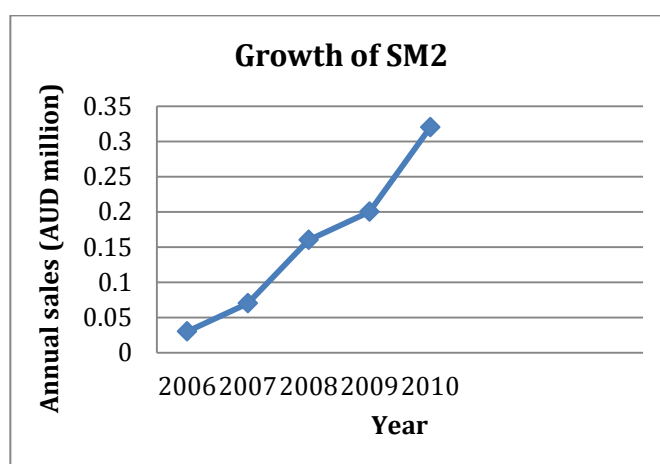
History of the firm

SM2 was one of the first firms which manufactured bathroom fittings from fibreglass. Since its beginning in 2006, SM2 grew into a leading fibreglass product manufacturer in Bangladesh. Initially SM2 supplied fibreglass made bathroom fittings to the sanitary ware traders and realtors. Figure E6 shows that, by the end of the first year, SM2 earned AUD0.03 million. Since then it had experienced a steady growth. The annual sales in 2007 were AUD0.07 million. Increased number of residential as well as commercial construction in Dhaka city required low-cost local provider. Due to this increased demand in the market, annual sales grew and SM2 earned AUD0.16 in 2008.

In 2009, SM2 contracted as the supplier of one of the most renowned construction company of the country. Due to this addition in SM2's clientele, annual sales earned AUD0.2 million in 2009. As staff and physical space requirements grew, SM2 moved into a larger space in 2010. Increased production capacity yielded AUD0.32 million in 2011. As in 2011, production capacity of SM2 was 200 bathtubs and 350 other items a month. RSM2 plans to manufacture fishing boats and waterbuses from

fibreglass as the country is crisscrossed by hundreds of rivers and there is a potential for fibreglass to replace traditional wood-made boats. As at 2011 the firm employs 35 workers.

Figure E6 Annual sales SM2, 2006-2010



Source: Annual financial report (SM2, 2011)

Applying the framework to SM2

Individual factors

The *individual factors* of the owner RSM2 were important for the growth of SM2. RSM2 graduated in English literature and was married in 2000. After marriage she moved to Canada with her husband. “In Canada I took one year training on the techniques of durable products with fibreglass” (RSM2). She was amazed with the diversity of products that can be created from fibreglass and was inspired to create an opportunity for these products in Bangladesh. This inspiration created a strong *motivation* as well as *aspiration*. “When I moved back to Bangladesh in 2002, I was interested to start producing fibreglass fittings for commercial use” (RSM2). The prospect of fibreglass products was apparent to RSM2 and this was the main reason of starting a fibreglass manufacturing factory. She was able to identify that producing fibreglass fitting for household and commercial use would be successful in Bangladesh. This was her vision and together with her risk taking tendency, she was able to create an opportunity in the market (Rahman, 2011).

Family support played an important role for the prospect of SM2. RSM2 had two children. Her mother-in-law was a great support for RSM2 as she took care of the grandchildren and allowed RSM2 the necessary time for growing SM2.

Internal environment factors

RSM2's entrepreneurial capabilities and their influences on the successful operations of SM2 are important for the firm growth. She took the challenge of stepping into an unconventional area of manufacturing, about which a little was known. Furthermore, RSM2 was innovative from the point of view of creating an opportunity for a new product which unknown in the market. This form of production was cost effective and was successful in market.

Technical abilities of SM2 were created with RSM2's training in fibreglass product making which she gained from studying in Canada. Her experience in making fibreglass products was enhanced further while she was experimenting with various items with fibreglass. Managerial capabilities of SM2 were created with providing managerial training to the small group of management employees. In 2006, three management employees were recruited and SM2 provided them with three months managerial training. During the training, employees were kept under observation for working attitude.

External environment factors

Pull factors of external business environment played a significant role for the success and growth of SM2. The idea of producing bathroom fittings with fibreglass was new. The opportunity for a low-cost domestic manufacturer was apparent so that RSM2 was pulled-into business. A place in the domestic market was created by SM2, which eventually grew further. A certain demand in market was an important factor behind the emergence and business growth of SM2.

SM2's growth can also be attributed to low-cost labour force and simple production process. Local supply of cheap materials was another element of external environment which influenced the growth. SM2 was encountered with competition with foreign products. However, based on low-cost production, SM2 was able to

secure a certain portion of market and was also able maintain a steady growth in sales.

Venture concept

The venture concept of SM2 was made up with RSM2's potential growth objectives. Initial experimental production of SM2 began with simple products. Only a few products were made and sent to local traders. When RSM2 received some sales orders, four manufacturing workers were hired for SM2 and were trained for three months by RSM2 herself. In 2009, SM2 contracted as the supplier for one of the most renowned construction company of the country (Rahman, 2011). Due to this addition to SM2's clientele, growth propensity of SM2 was increased significantly. Staff and physical space requirements grew and SM2 moved into a larger space in 2010. Increased production capacity yielded increased production and sales.

Growth Resources

Growth of SM2 involved a combination of growth resources which include physical, human and financial resources. Physical resources of SM2 include raw materials and technology of production. Locally available fibreglass materials were an easy source of raw materials (SM2 website). The innovative way of transforming fibreglass into bathroom fittings was the most important technological resource of SM2. Human resources of SM2 included low cost labour. RSM2 was able to improve labour's level of skill by providing employees with on-the-job training.

Financial resources of SM2 were made up with the family savings of RSM2 and her husband. Family resources provided the initial expenses of setting up production facility, training workers and buying raw materials. No financial support was requested from financial institutions. SM2's business profits were gradually reinvested into its operations.

Growth Actions

Growth actions of SM2 were based on RSM2's competence in manufacturing fibreglass products. She was a trained person for making fibreglass items and her creative abilities were developed while she made some experiments of making

various fibreglass items. SM2's growth was based on her ability to create a unique form of products which could attract customers' attention.

Initially, the production was limited to simple items. Manufacturing workers were trained by RSM2 herself and product quality was strictly maintained by RSM2. Gradually, as RSM2 and the workers made progress an in time with improved skills and experienced workers, SM2 was able to create a strong technological base.

Conclusion

Growth process of SM2 was influenced by number individual, internal and external factors. The level of support provided by framework elements to the growth of SM2 is set out in Table E6.

Individual *capabilities* of RSM2 include her technical training and strong motivation to start her own business which had **very high** inputs into the growth. Her *growth aspirations* had a **very high** level of support for SM2's growth. The level of support provided by *family* was **very high**. The levels of support provided by RSM2's *entrepreneurial* and *managerial abilities* were **high**. However, training in fibreglass product-making provided a **very high** level of support for the growth of SM2.

Table E6 shows that, with a growing demand in market, the level of support provided by *product market* was a **very high**. Having no other producer in domestic market was an *opportunity* which provided **very high** level of support for the growth of SM2. Level of support provided by the *government* was **low**, as the industry still is not getting any specific support from the government. Competition from foreign producers imposed **moderate** level of *risk and uncertainty* for firm growth.

Table E6 Framework elements to SM2's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
Individual Factors					
Capabilities					×
Growth aspirations					×
Family support					×
Internal Firm Environment					
Entrepreneurial ability				×	
Managerial ability				×	
Technical ability					×
External Environment					
Product market					×
Opportunities					×
Government support		×			
Risk and uncertainty			×		
Growth Resources					
Financial					×
Physical					×
Human					×
Growth Actions					
Product quality improvement					×
Cost reduction					×
Technological development					×

RSM2's *family investment* provided a **very high** level of support as financial resources. Low cost local materials and simple technology of production provided a **very high** level of input into SM2's growth. Low-cost labour also provided SM2 with a **very high** level of support for growth. The level of importance for innovative production was **very high** for improving *product quality*, *reducing production cost* and achieving *technological advancement* in production

Reference

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SMALL MANUFACTURING 3 (SM3)

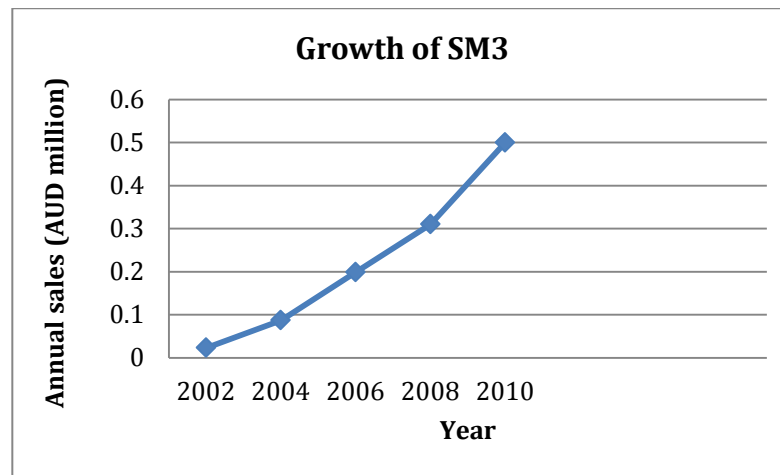
SM3 is a domestic-based themed fashion clothing manufacturer. It specialises in traditional and authentic apparel and accessories. It also produces uniquely designed ornaments for women and themed gift items such as pens, key rings, photo frames, and mugs. SM3 was started in 2002 in Dhanmondi, Dhaka. Within a short time, it became very popular especially among the young customers for its tailor-made products. With three showrooms around Dhaka and a production house, SM3 employs a total of 48 workers (SM3 website).

The owner of SM3, RSM3 was a recipient of 'National SME Women Entrepreneurship Award' for her business leadership and success with SM3 (Mahmud, 2011). She was acknowledged for the highest sales and growth for two consecutive years (2007, 2008) among small-sized fashion apparel manufacturing firms in Bangladesh.

History of the firm

SM3 is a fashion house that creates theme-based outfits for men, women and children. With an investment about AUD8,000, the journey of SM3 began with seven workers in a 500 square feet factory and a small showroom in Dhaka. Initially designer outfits were made based on themes and colours. White and red colour based dresses were made with traditional motifs and designs for Bengali New Year. Likewise green and red colour based attires were made with authentic Bengali motifs for Independence Day. Theme-based products became popular with consumers and SM3 opened its second showroom in 2005. Traditional jewellery were added to the product line. In 2007, SM3 also increased the production capacity and size of its production house to 800 square feet. The third showroom was opened in 2008 to address huge consumer demand in the local market. Running a team of nearly 50 people in the factory and showrooms, over the last ten years, SM3 has become one of the leading fashion houses of the country.

Figure E7 Annual sales SM3, 2002-2010



Source: Annual financial report (SM3, 2011)

Figure E7 illustrates the growth pattern of SM3 in annual sales. SM3 started in 2002 with sales worth AUD0.023 million. In 2004 growth increased up to AUD0.087 million. New products were added to the product line and annual sales grew up to AUD0.199 in 2006. Increasing demand in the market led SM3 to increase its production capacity. During 2008, number of workers increased from seven to 24 and sales was AUD0.31 million. Another sales showroom was also added by the end of 2008. Total number of workers was increased to 50 and annual sales were AUD0.31 million in 2010.

Applying the framework to SM3

Individual factors

The *Individual factors* of the owner, RSM3 were important for the growth of SM3. RSM3 saw a lot of dress-making around her as a child and enjoyed this work thoroughly. “My mother used to make outfits and costumes for me and my sisters” (RSM3). RSM3 was a talented designer who could make dresses by herself when she was in grade 7/8. This interest in making beautiful attires remained with her while she was growing up and eventually created a strong *motivation* and *aspiration* in her.

RSM3’s *capabilities* include educational background and work experience in creative designing. “At that time, there was no formal institution in Bangladesh to train

enthusiasts like me in fashion designing” (RSM3). Therefore, as the ultimate resort to all creative people RSM3 also took admission in Fine Arts Institute and studied graphic designing. In 1997, RSM3 graduated from University of Dhaka. She also completed Masters in her favourite subject – ¹²*Rabindra Sangeet* (Mahmud, 2011) which has great influence on her creative personality. This opportunity to learn more on creative designing provided her with an essential background and training. After completing graduation, RSM3 worked in an advertising agency as a graphic designer for five years (1998-2003). However, she was entirely driven by her passion for fashion designing which made her initiate SM3 during 2002. Soon the business started expanding and required the owner’s complete attention. “Once SM3 was growing, I had to leave my job and concentrate on my business” (RSM3).

Family support played an important role for the realization and prospect of SM3. RSM3’s father was a lecturer in a reputed college. She was youngest among four sisters. From an early stage, RSM3’s family had implanted a sense of responsibility in her that she would need to have an independent career. “My parents always encouraged me and my sisters to do something of our own” (RSM3). She was married in 2000 and had two children. RSM3 had been living in an extended family since her marriage and her in-laws were very supportive to her ambition.

Internal environment factors

SM3’s effective growth operations were the outcomes of RMM4’s *entrepreneurial abilities*. “The idea initially came to my mind when I was in *Charukala* (Institute of Fine Arts, University of Dhaka)” (RSM3). RSM3 wanted to start a business which would produce and sell various accessories ranging from cloths to pens and everything would be themed. At the time, the idea of themed clothing was new in Bangladesh. RSM3’s capacity to identify unseen prospects and act upon opportunities for a profitable business formed the strong base for SM3 to grow. She was an innovator as she introduced themed clothing products in Bangladeshi market and was able to create a strong demand for them as well. RSM3’s ability to

¹² Rabindra Sangeet also known as Tagore Songs, are songs written and composed by Rabindranath Tagore. They have distinctive characteristics in the music of Bengal, popular in India and Bangladesh. The music is mostly based on Hindustani classical music and folk music of Bengal.

make effective decisions and efficiently allocate growth resources also contributed to the growth of SM3.

Managerial capabilities of SM3 were formed by hiring a group of experienced employees with higher degree of managerial skills which were improved further by providing them on-the-job training. Growth of SM3 can also be attributed to its *technical abilities* which were made with RSM3's family background as well as educational background. RSM3's technical competences were developed further with her working experience as a graphic designer in an advertising firm.

External environment factors

An essential role was played by pull factors of the external environment for the creation and growth of SM3. As a student of *Charukala*, RSM3 was involved with bringing out the colourful precession in Bengali New Year. With other students, she used to make traditional dolls, decorated pots, masks and paintings. However, she always felt that themed attires to complement the festivity were absent. "I wanted to create an avenue for people to find theme-based products" (RSM3). The opportunity for a theme-based fashion wear manufacturer was apparent. Therefore, RSM3 was pulled-into business. A large and growing local market for themed-cloths and accessories was another significant factor of external environment that worked positively for the growth of SM3.

Growth of SM3 can also be attributed to low-cost labour force. A number of craftsmen were chosen from RSM3's home district and for improving their level of skill, RSM3 trained them herself. For RSM3, working in the fashion industry was challenging. Despite of a large domestic market, at the time there was no training facility in Bangladesh to provide formal training in fashion designing (Mahmud, 2011). RSM3 was self-made, "I learnt through my works" (RSM3).

Venture concept

The venture concept of SM3 involved the potential growth objectives of RSM3. When social class is taken into consideration, RSM3 wanted to cater specially to the needs of middle-income generating people. However, no particular age-group was targeted.

Initially SM3's production started with traditional designer outfits for men, women, and children. However, RSM3 wanted to add theme-based accessories and jewellery. In 2004, three craftsmen were hired and trained in jewellery making by RSM3 herself. SM3 was successful in making silver, steel and clay-made accessories and jewellery. Growth propensity of SM3 was also increased with the production of theme-based gift items such as key rings, mugs, photo frames and pens.

Growth Resources

Growth of SM3 involved a combination of growth resources which included physical, financial and human resources. RSM3's personal savings from previous work was used as start-up capital. No financial support was received from her family or any financial institution. Gradually profit surplus was reinvested for financing SM3's subsequent growth. Physical resources of SM3 include raw materials and technology of production. Locally available dyeing, printing, knitting materials were reliable and constant sources of raw materials. Human resources of SM3 included low cost labour. RSM3 was able to improve their level of skill by providing training.

Growth Actions

Growth actions of SM3 were grounded on creative abilities of RSM3. She was a qualified designer and her creativity in designing was well practiced while she was employed as a professional graphic designer. The growth of SM3 was based on the innovative idea of theme-based traditional outfits that was successful in achieving growth for SM3.

Initially, SM3 was involved with production and sales of outfits only. Afterwards, craftsmen were hired and trained specially for jewellery making. Designs were developed by RSM3 and she worked constantly with the craftsmen to create a unique product. Variety of designs and quality of products were emphasised the most, which was strictly maintained by producing only two copies of a particular design. This enabled the products to be differentiated not only from market but also from SM3's own products.

Conclusion

Growth process of SM3 was influenced by a number of individual, internal and external factors. The level of support provided by framework elements to the growth of SM3 is set out in Table E7.

Table E7 Framework elements to SM3's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
Individual Factors					
Capabilities					×
Growth aspirations					×
Family support					×
Internal Firm Environment					
Entrepreneurial ability				×	
Managerial ability				×	
Technical ability					×
External Environment					
Product market					×
Opportunities					×
Government support		×			
Risk and uncertainty			×		
Growth Resources					
Financial					×
Physical					×
Human					×
Growth Actions					
Product quality improvement					×
Cost reduction					×
Technological development					×

Table E7 depicts that, RSM3's *individual capabilities* include her educational background in graphic designing and strong motivation to start her own venture which had **very high** inputs into the growth. She was also driven by **very high** *growth aspirations*. The support and care provided by her in-laws created a strong base for SM3's growth. Therefore, the importance of *Family support* was **very high**. The levels of support provided by RSM3's *entrepreneurial* and *managerial abilities* were **high**. Further, four-year education provided **very high** level of *technical* support for the growth of SM3.

With a growing demand in local market, the level of support provided by *product market* was **very high**. Absence of local producer in theme-based fashion industry

also created an *opportunity* and provided a **very high** level of support for the growth of SM3. Level of support provided by the *government* was **low**, as the industry still is not getting any specific support from the government; however the owner has been able to gain some small support as a general women-based small sized business. Personal savings of RSM3 and reinvestment of profit provided a **very high** level of support as *financial* resources. As *physical resources*, low cost local raw materials provided a **very high** level of input for the growth of SM3. Level of support provided by low-cost labour was **very high** as *human resources*. MM2's higher growth propensity can also be credited to its low cost labour force The level of importance for innovative production was **very high** for improving *product quality, reducing production cost* and achieving *technological advancement* in production.

References

- Mahmud, M. (2011). The Daily Star (Written on RSM3 appearing in March on this issue).
- SM3. (2011). 2010 Annual Financial Report.

SMALL MANUFACTURING 4 (SM4)

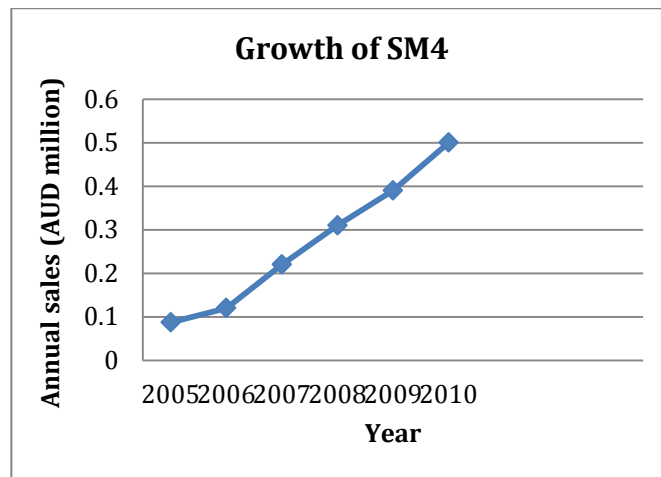
SM4 is a boutique launched in 2005 with a vision to popularise Bangladesh's traditional art and crafts amongst the fashion conscious individuals of the country. Reflecting the ideas of the owner RSM4, SM4 creates a range of products displaying a unique blend of the traditional yet trendy styles. SM4 produces outfits for men and women, children's wear, leather accessories, footwear, ornaments and home decorating items. At present, SM4 operates one production facility and two showrooms in the capital city, Dhaka. It employs 50 workers with a monthly production capacity of 1000 outfits, 200 footwear, 200 items of jewellery and home decorating elements (SM4 website).

SM4 was successful in playing an important part in the revival of the fashion industry of Bangladesh. "I am trying to revive our folk art and designs" (RSM4). The efforts of RSM4 as an innovator as well as a revivalist of Bangladeshi textile and craft were acknowledged at the Bangladesh Business Awards where she was awarded as the 'Outstanding Women in Business of the Year' (Azher, 2010).

History of the firm

From the beginning, SM4 created its products from its own designs and materials. The production started in a small factory with an investment about AUD7,000 in Dhaka. Initially hand woven materials were natural-dyed and block-printed to create uniqueness. These exceptionally created outfits were successful in attracting consumer attention in market. In 2008, ornaments, foot wear and decorative items were also added to the product line. Newly introduced products were equally appreciated by the consumer. A large-size production house was rented during 2008 to support the increased production capacity of SM4. A second showroom was also opened in 2008 to address increasing consumer demand within the local market. Running a team of 45 workers in the factory and showrooms, SM4 has been prominent for its success in blending traditional designs on contemporary materials.

Figure E8 Annual sales SM4, 2005-2010



Source: Annual financial report (SM4, 2011)

Figure E8 demonstrates the growth pattern of SM4 in annual sales. SM4 started producing experimental collection of fashion wear for men and women. Annual sales were AUD0.087 million in 2005. Growth was slow during 2006 with AUD0.12 million annual sales. Increasing demand in the market led SM4 to increase its production output while the number of workers increased from seven to 24. New products were added to the product line and annual sales grew to AUD0.22 million. Another sales showroom was also added by the end of 2008. The total number of workers was increased to 40 and annual sales were AUD0.31 million. Since 2009 it had experienced a steady growth and from 2009 to 2010, the annual sales increased from AUD0.39 million to AUD0.5 million.

Applying the framework to SM4

Individual factors

The *individual factors* of the owner, RSM4 were important for the growth of SM4. RSM1 graduated in Textile Designing from Fashion Institute of Design and Merchandising, Los Angeles (Azher, 2010). While studying, RSM4 lived in the United States and used to come back to Bangladesh frequently to work with some of the projects of the leading fashion house of Bangladesh. In 2000, RSM4 started her career as a designer at the leading fashion house of the country. From 2003 she was

determined to revive silver jewellery across the country which created a strong *motivation* as well as *aspiration*.

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Individual *capabilities* of RSM4 include her educational background. Her graduation from design institute provided her a basic designing background which she was able to enhance further with some *experience* in working in various projects with different fashion houses. "What I have achieved today was possible because of my learning from the Institute and the projects which I did after my graduation" (RSM4). *Family support* played an important role for the prospect of SM4. Being a daughter of a businessman, RSM4 took a keen interest in entrepreneurship like her father. And her husband has also been supportive towards RSM4 and the business.

Internal environment factors

RSM4's entrepreneurial capabilities and their influences on the successful operations of SM4 are important for the firm growth. RSM4 was innovative from the point of view of reviving and popularising traditional art which was cost effective in transforming local materials into fashionable clothing and accessories.

Technical abilities of SM4 were created with RSM4's educational background and training in fashion designing which she gained from study in textile designing and merchandising. Her experience was enhanced further while she worked as a designer in a fashion house. *Managerial capabilities* of SM4 were formed by hiring a group of experienced employees with a higher degree of managerial skills which were improved further by providing them on-the-job training.

External environment factors

Pull factors of the external environment played an important role for the creation and growth of SM4. The opportunity for a traditional art-based fashion wear manufacturer was apparent. Therefore, RSM4 was pulled-into business. A large and growing local market was another significant factor of the external environment that worked positively for the growth of SM4.

SM4's growth can also be attributed to low-cost labour force. A number of experienced craftsmen were hired and for improving their level of skill, RSM4 trained them herself. Utilisation of local materials was low cost and easy to acquire which was another element of external environment which influenced the growth.

Venture concept

The venture concept of SM4 involved the potential growth objectives of RSM3. Initially SM4's production started with traditional designer outfits for men, women, and children. However, RSM4 wanted to revive the tradition of silver made jewellery and home decorating items. Two craftsmen were hired and trained by RSM4 herself for making silver-made jewellery and decorative items which also increased the growth potential of SM4.

Growth Resources

Growth of SM4 involved a combination of growth resources which include physical, human and financial resources. Physical resources of SM4 include raw materials and technology of production. Low-cost local materials were an easy and reliable source. RSM4's personal savings from previous work was used as start-up capital. No financial support was received from any bank. Gradually profit surplus was reinvested for financing SM4's subsequent growth. Human resources of SM4 included low cost labour. RSM4 was able to improve employees' level of skill by providing training.

Growth Actions

Growth actions of SM4 were based on RSM4's creative abilities. She was a qualified designer and her creativity in designing was well practiced while she was employed as a designer. Growth of SM4 was based on designing traditional outfits that was successful in achieving growth for SM4.

SM4, at the beginning was involved with production and sales of outfits only. Afterwards, craftsmen were hired and trained specially for making silver-made jewellery and decorative items. Designs were developed by RSM4 and she worked constantly with the craftsmen to create a unique product. Variety of designs were

emphasised and quality of products were strictly controlled which enabled the products to be differentiated from market.

Conclusion

Growth process of SM4 was influenced by number individual, internal and external factors. The level of support provided by framework elements to the growth of SM4 is set out in Table E8.

Table E8 Framework elements to SM4's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
Individual Factors					
Capabilities					×
Growth aspirations					×
Family support					×
Internal Firm Environment					
Entrepreneurial ability				×	
Managerial ability				×	
Technical ability					×
External Environment					
Product market					×
Opportunities					×
Government support		×			
Risk and uncertainty			×		
Growth Resources					
Financial					×
Physical					×
Human					×
Growth Actions					
Product quality improvement					×
Cost reduction					×
Technological development					×

Table E8 shows that, individual *capabilities* of RSM4 include her educational background and strong motivation to start her own business which had **very high** inputs into growth. Her *growth aspirations* had a **very high** level of support for growth of SM4. The level of support provided by *family* was **very high**. The levels of support provided by RMM4's *entrepreneurial* and *managerial abilities* also provided a **high** level of support for growing SM4. With a growing demand in the local market, the level of support provided by *product market* was **very high**. The *opportunity* for

a traditional outfit and jewellery producer provided a **very high** level of support for the growth of SM4. Level of support provided by the *government* was **low**, as the industry still is not getting any specific support from the government.

Personal *investment* of RSM4 provided a **very high** level of support as financial resources. Cheap local materials and simple technology of production provided a **very high** level of input into SM4's growth. Low-cost labour also provided SM4 a **very high** level of support for growth. The level of importance for innovative production was **very high** for improving *product quality, reducing production cost* and achieving *technological advancement* in production.

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Azher,S. (2010). The Daily Star (Written on RSM4 appearing in January on this issue).
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MEDIUM SERVICE 1 (MS1)

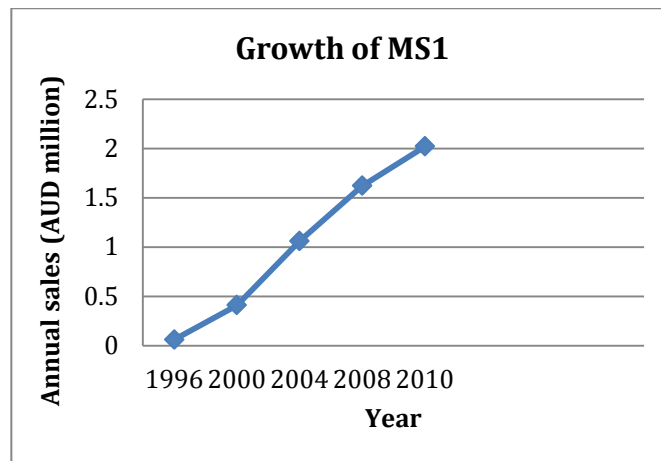
MS1 is a beauty-care service providing venture. In 1996 it was started as a small beauty salon in the heart of Dhaka city. Catering to the growing demand of a beauty and health conscious population, MS1 provides various services such as spa and body massage, professional make up as well as haircut, hair styling and hair treatment. Over a span of fifteen years, MS1 has been established as a recognised brand in the beauty industry in Bangladesh. During 2011, MS1 operated in two different beauty salons where two hundred employees were providing services to thousands of customers each day. MS1 also runs an independent photo studio as well as a monthly fashion and lifestyle magazine. It also has introduced an institute to provide professional education and training on health and beauty related courses. In 2011, MS1 employed 400 employees of whom 99 per cent were women (MS1 website).

MS1 has successfully proven its excellence and commitment towards its goal of grooming lives and it has maintained its leading position for the last ten years. MS1 is the reflection of the owner RMS1's professionalism and hard work which has been acknowledged a number of times. RMS1 was awarded with 'The Best Business Award', 'Global Awards for Brand Excellence' and 'The Outstanding Women in Business Awards' (Akter, 2010).

History of the firm

In 1996, the journey of MS1 began in a 200 square feet room in a part of RSM1's residence. With three workers and a little amount of initial investment, it did not take long for MS1 to be recognised with clients. In 1998, MS1 moved into a 2000 square feet salon with 50 workers. The number of clients continued to increase as there were only a few good quality salons in the city at that time and MS1 provided quality services with new features. The operational area was further expanded to 3500 square feet in 2002. A second fully equipped beauty salon outlet was inaugurated in 2005 to serve the clients with MS1's skin and hair care services. By 2011, as a brand, MS1 has grown into one of the most profitable beauty service providing venture in Bangladesh.

Figure E9 Annual sales MS1, 1996-2010



Source: Annual financial report (MS1, 2011)

The growth pattern of MS1 by annual sales is illustrated in Figure E9. In 1996, the first year of business earned about AUD0.06 million. With growing demand in the market, MS1's outlet was shifted to a larger space in 1998. MS1 served more clients from the new outlet and yielded around AUD 0.41 million during 2000. In 2004, annual sales increased to AUD 1.06 million as MS1 further expanded its area and new services were also added. A second outlet was added to the business in 2005 and the annual sales increased from around AUD1.29 million to AUD1.62 million. To achieve higher growth, in 2006, MS1 launched a photo studio and also started publishing a lifestyle magazine. As the industry suffers from a lack of training institutions, MS1 also started a training institute on beauty services in 2007. Due to all these additions, there has been a growth in sales and annual sales were increased to AUD2.02 million in 2010.

Applying the framework to MS1

Individual factors

RMS1's *Individual factors* played an important role for the growth of MS1. RMS1 had a deep passion for beautification of human beings. From this passion, after her Higher Secondary exam, she went for a beautification's course course with a view to beautifying herself as well as the people around her. RMS1 used to earn a little

money through some freelance bridal makeup projects. “I appreciated the fact that people actually paid me for those works” (RMS1).

RMS1’s passion for beautification and desire to do something creative and independent formed a strong *motivation* and *aspiration* in her to be in the creative industry and start her own business. Initially her husband came up with the idea of utilising the skills of RMS1 at a professional level and encouraged her to build on her passion. “I started working on three to four projects a month” (RMS1). However, it was not until 1996, when she formally started her salon with three workers to assist her (Akter, 2010).

RMS1 was married in her first year after graduation. Family has been an important contributor towards the growth of MS1. RMS1’s mother-in-law provided her with the start-up capital for MS1. The emotional support as well as the positive attitude from the in-laws and her husband assisted RMS1 in successfully achieving growth.

Internal environment factors

The entrepreneurial abilities of RMS1 and their influences towards the success of MS1 cannot be separated from the firm’s growth. In nineties, the social norms and the perception of people towards beautification was not positive (Akter, 2010). For this reason, it was considered as an unconventional area of business to enter into. RMS1’s entrepreneurial ability, to identify this as an opportunity provided a strong base to start the business. She was an innovator in that she started something new in the market and also created a demand for it. She was a visionary as she could identify the potential growth of the industry in near future.

RMS1’s passion for beautification was intensified by the course she did during her study break which formed the initial technical competence of MS1. The managerial and technical competences of MS1 were further improved by providing regular on-the-job training to the service providers and the management executives.

External environment factors

The success and growth of MS1 can be credited to the pull factors of the external environment. In the nineties, social norms and beliefs were going through changes.

With gradual economic development, the society also started moving from being a traditional and conservative society towards a modern and liberal society (Akter, 2010). The perception about beautification and wellbeing also changed, which created a scope for MS1's services in the market. This large and growing market was an important factor behind the growth of MS1.

Choosing the most appropriate location for MS1 that could best serve the needs of the target market was another important factor for the business's growth. The target customers for MS1 were beauty conscious females aged from eighteen to thirty five and belonging to the upper-middle and upper class income group. Therefore, when MS1 was shifted from RMS1's house, she had to select a place in 'Dhanmondi' which was a higher rent. However, this eventually paid off as the place was in the heart of the city and close to affluent neighbourhoods.

The absence of an association to protect the interest of this growing industry was acknowledged as an unfavourable influence for the firm growth by RMS1. Frequent power cuts hamper the services of MS1. Government fiscal policy and income tax policy were also considered as complicated by RMS1.

Venture concept

The venture concept of MS1 involved the potential growth objectives of RMS1. In 1998, MS1's growth potential was significantly increased when RMS1 was chosen as the 'brand ambassador' by an internationally renowned brand which brought her countrywide recognition. Initially MS1 started with three workers to assist RMS1. However, as MS1 gradually grew, the need for skilled service providers became greater than before. It was easier to hire already skilled workers as the industry suffered from a proper training institute. Then, semi-skilled employees were hired and trained by RMS1 herself. With improved levels of skill, new features and new services were added.

Growth Resources

Growth resources of MS1 included financial, social and human resources. Financial resources were considered as the 'engine' of MS1's growth by RMS1. MS1 started

with low capitalisation provided by RMS1's mother-in-law and borrowed from bank in 1998 for the expansion of MS1, which she perceived to be one of the most crucial factors in RMS1's growth.

RMS1's networks and network contacts played an important role in the establishment and growth of MS1 and she credited effective networking as another important factor contributing towards business growth. According to RMS1, network contacts helped her in accessing resources as the bank loan for growing MS1 was sanctioned by one of the relatives of RMS1, who was the branch manager of that bank. Although the industry suffered from lack of skilled workers, MS1's dedicated workforce was considered as another important resource for its growth. Semi-skilled workers were developed into trained human resources through training and on-the-job assistance that result in MS1's excellence of performance.

Growth Actions

Improving the service quality was one of the important growth actions taken by RMS1. As the number of good quality beauty service providers was still low in the city, RMS1 decided to concentrate on improving service quality. Well trained service providers as well as good quality materials improved MS1's service quality, which created loyalty in customers, and RMS1 was able to generate repeat sales.

Development of new services was another growth action of RMS1. She was confident that new services and features would attract more customers and satisfy their changing needs. With a team of devoted hard working service providers and management staff, RMS1 was able to create a strong clientele base in the market.

RMS1 realised human resources to be one of the most important factors for the success and growth of MS1. She also realised the value of trained and loyal workers. As an instrument for encouraging and motivating the human resources, RMS1 started 'Best Worker Award' in 2004 where an efficient and hardworking employee is awarded every month. This initiative of RMS1 worked as the main motivating force to drive MS1's human resource to work with more dedication and devotion.

Although, being selected as the 'brand ambassador' of the renowned international brand was not an action taken by RMS1 herself, she benefitted from it. This brought her recognition as a hair and skin care expert and attracted more customers to the services of MS1 as well, which enabled MS1 to grow in only two years.

Conclusion

MS1's growth was influenced by a number of individual, internal and external factors. The level of support provided by framework elements to the growth of MS1 is set out in Table 9.

RMS1's individual *capabilities* include strong motivation to start a business had **high** inputs into the growth. To be more successful, she was driven by **very high growth aspirations**. RMS1's *family* inspiration and *support* provided **very high** levels of inputs for the growth of MS1.

The level of support provided by RMS1's *entrepreneurial abilities* was **very high**. Experienced management executives provided a **high** level of support for MS1's growth. Technical abilities were formed by providing training and on-the-job assistance to the service providers which created a **very high** level of support for firm growth.

Along with the social and economic change, the demand for MS1's services was growing in the market. Therefore, *product market* provided a **very high** level of support. Lack of good quality beauty care providers in the market created an *opportunity* and provided a **very high** level of support for the growth of MS1. Interrupted electricity supply and complicated tax procedure were assumed as risk by RMS1 which were moderated by installing a power generator and hiring accounting executives. The level of support provided by the *government* was **low**, as the industry still is not getting any specific support from the government; however the owner has been able to gain some small support as a general women-based business.

Table E9 Framework elements to MS1's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
Individual Factors					
Capabilities				×	
Growth aspirations					×
Family support					×
Internal Firm Environment					
Entrepreneurial ability					×
Managerial ability				×	
Technical ability					×
External Environment					
Product market				×	
Opportunities				×	
Government support		×			
Risk and uncertainty				×	
Growth Resources					
Financial					×
Social				×	
Human				×	
Growth Actions					
Product quality improvement					×
Cost reduction	×				
New service development					×

Table E9 shows that, RMS1's family resources provided a **very high** level of support as financial resources. A **high** level of *social* support was provided by RMS1's network contacts. MS1's trained and experienced *human resources* provided a **high** level of support for its growth, although the training incurred certain cost.

Regular training and on-the-job assistance for workers provided a **very high** level of support for *improving product quality*. No cost-reducing strategy was taken by RMS1, therefore *reducing cost* offered a **very low** level of support. *Introducing new services* and developing service features provided **very high** levels of support for the growth of MS1.

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MEDIUM SERVICE 2 (MS2)

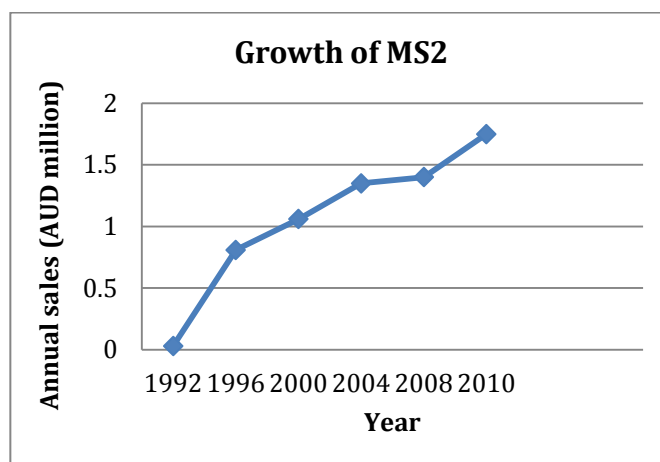
MS2 is an event management firm specialising in floral decorations and landscaping. In 1992, it started as a small shop of decorative flowers in Dhaka city. Creative and unique presentation of fresh and dry flowers has drawn a wide range of customers including embassies, banks, corporate offices as well as household consumers. MS2 is also renowned for wedding decorations. In a span of nineteen years, the business has been expanded to landscaping, indoor pot plants, roof gardening and water fountain. More than five thousand projects have been completed by MS2 (MS2 website). Some of the significant projects include decoration of prestigious venues during the state visits of foreign dignitaries. In 2011, MS2 was housed in a 3,000 square feet office with about 50 workers in the most affluent area of Dhaka city.

The success and growth of MS2 is the manifestation of owner's leadership and entrepreneurial abilities that have positioned MS2 as the pioneer in the industry. The originality and creativity of MS2's owner, RMS2 have been acknowledged at the Bangladesh business awards where she was awarded 'best women entrepreneur' (Rahman, 2009).

History of the firm

MS2 was one of the first floral decoration businesses during nineties, set up in Dhaka city (MS2 website). The journey started in a small shop selling fresh and dry flowers for occasional decorations. With only one worker, RMS2 did most of the decorations herself. During the Seventh SAARC Summit in Dhaka in 1993, MS2 was contracted to decorate the hotels and state guesthouses where the heads of states and government officers were staying. This unique form of art was enormously appreciated by the guests and MS2's service was generally admired by people. MS2 was then converted into a decorative service provider rather than flower seller. Ten workers were hired and MS2 was moved into a 3,000 square feet apartment. In 2011, MS2 operated from the same apartment but the number of employees increased to 50. With decades of experience in flower decoration, wedding decoration, corporate event management and landscaping, in 2001, MS2 was considered to be the pioneer of the industry (Rahman, 2009).

Figure E10 Annual sales MS2, 1992-2010



Source: Annual financial report (MS2, 2011)

Figure E10 demonstrates the growth pattern of MS2 by annual sales. In 1992, the first year of sales, the business earned about AUD0.03 million. Despite the small sales volume, from 1993 to 1996, the annual sales were increased dramatically to AUD0.81 million because of the SAARC Summit decoration contract. MS2's growth slowed down from 1997 to 1999. Since 2000, MS2 had experienced a consistent growth with an increasing demand in the market. Between 2000 and 2006, annual sales grew from AUD 1.06 million to AUD 1.35 million. However, there was no growth in 2006-07, mainly due to the unstable market condition caused by internal political actions and events. During the period from 2008 to 2010, annual sales grew to AUD 1.75 million.

Applying the framework to MS2

Individual factors

The effect of RMS2's *individual factors* was significant for the emergence and growth of MS2. RMS2 belongs to a family with a rich cultural background. Her grandfather is a very renowned poet and her uncle is a famous artist in Bangladesh. RMS2 was greatly inspired and her affection towards art was deeply nurtured by her family. In the early seventies, she received a book from her uncle on 'Ikebana', the Japanese art of floral decoration which greatly inspired her. "My love for beauty generated in my

family which has brought me into the business with the art of flowers” (RMS2). From this passion for art, she took training in floral decoration in 1973 from the Japanese Embassy in Dhaka. She was awarded a gold medal for her exceptional performance (Rahman, 2009). “This achievement intensified my passion even further” (RMS2) which created a strong *motivation* and *aspiration* in her to be in the creative industry and start her own business.

RMS2 was married in 1969 before her graduation. Her husband was a chemical engineer and always encouraged her to go ahead with her creativity and passion. After the formal training in ‘Ikebana’, RMS2 taught ‘Ikebana’ for ten years at the Japanese Embassy and later in a school as well. Over the years, her passion for art and creativity, directed her to be in a creative industry. The emotional and financial support from her *family* and husbands’ encouragement to build on her passion was a great influence on her starting the business in 1992.

The growth *goals* and growth *motives* of RMS2 have affected the actual growth of MS2. RMS2 was focused towards creating as much employment in the society as possible. This goal of job creation led her to provide more service to the economy which actually had helped expand MS2’s business.

Internal environment factors

RMS2’s *entrepreneurial abilities* and their impact on the growth of MS2 are inseparable. In early nineties, the idea of creating art through floral decorations was entirely new. RMS2 was able to identify and act upon the *opportunity* arising from this which provided MS2 with the strong base to grow. The *risk taking* ability of RMS2 allowed her to invest in a new area of service at a time when little was known about it. She had the courage *take the challenge* of having the first ever business of that kind in Bangladesh. RMS2 was a *visionary* as she could identify the potential market for this particular service in the near future. “Then no one in Bangladesh knew Ikebana. I took the risk and gained from it” (RMS2).

Along with RMS2’s passion for flower arrangement and decoration, the course from the Japanese Embassy formed the initial *technical competence* of MS2. This was

further improved by her *experience* as an Ikebana teacher for a long time. Later, she also trained her own workers for MS2. *Managerial abilities* of MS2 were formed by hiring a group of experienced employees with a higher degree of managerial skills.

External environment factors

From the business environment, a significant role was played by the pull- factors for the establishment and growth of MS2. In the early nineties, with gradual economic development, the consumption pattern of the society was changing. People started to spend more on disposable commodities which created an *opportunity* for MS2's service in the market. This *growing market* played an important role for the growth of MS2.

The flowers used for decorations are often imported from foreign countries, mostly from Thailand and China, on the basis of consumer's demand. RMS2 has always maintained a strong relationship with her suppliers. Timely supply of good quality materials was external factor which influenced the growth of MS2.

The absence of government support to protect the interest of this emerging industry was considered to be an unfavourable element for the growth of MS2. According to RMS2, government should have paid more attention to create a conducive environment in this industry.

Venture concept

The venture concept of MS2 involved the potential growth objectives of RMS2. MS2's growth potential was the result of RMS2's commitment to growth. RMS2's strong determination to exploit the identified market opportunity at a local level created a strong base for the growth orientation of MS2. RMS2's attitude towards risk which formed her willingness to operate in a new area of service also influenced the actual business growth of MS2.

The growth potential of MS2 was greatly influenced by RMS2's flexibility and adaptability. There was a lack of trained workers in the industry. RMS2 hired ten unskilled workers and then trained them as required. However, quality or timeliness

of MS2's service was never compromised, as RMS2 was prepared to contribute her own time and expertise whenever needed. RMS2 was also flexible in utilising materials. Although most of the flowers are imported from overseas, local materials have also been used for indoor planting, water fountain and landscaping purposes.

Growth Resources

MS2's growth resources included financial, social and human resources. *Financial resources* were considered to be the most important resource for the growth of MS2. RMS2's personal savings and family resources were used as initial capitalisation. Profit surplus of MS2 was reinvested to finance its gradual business growth. RMS2's strong cultural family background provided her name and recognition in the society. *Social resources* in the form of network contacts have been important for accumulation of business knowledge and experience which contributed towards the growth of MS2. She also has networks available in the form of the Women's Chamber of Commerce which she considers as an important source of support.

MS2's skilled and dedicated workers employed at a reasonable and competitive salary were considered as a vital source of *human resources* for its growth. RMS2 was able to improve their level of skill by training them to perfect the services provided. Although the education of RMS2 is not directly related to the business she pursued, she had industry specific training in floral decoration industry. This acted as RMS2's knowledge foundation and was also reflected in her technical superiority.

Growth Actions

MS2 was capitalised with little investment, therefore *optimization* in the use of resources was crucial for the survival and growth of MS2. A 3,000 square feet apartment was utilised as storage of materials, operational area for preparing flower arrangements as well as an administrative area for MS2.

RMS2 possessed distinctive comparative advantage as she was one of the very few trained persons in Ikebana in the early nineties. The business growth of MS2 was based mainly on her ability create and popularise this *unique form of art* in Bangladesh. Moreover, the SAARC Summit contract brought her the fame and

recognition as an artist and RMS2 was able to attract the attention of customers to the services of MS2 which made MS2 grow in a short period of time.

Maintaining and improving service quality and adding new elements to each order were important for creating a satisfied and loyal customer base. Skilled workers and good quality materials ensured the maintenance as well as the improvement of service quality.

Innovation was important for attracting new clients and satisfying their changing needs. RMS2 encouraged creativity to ensure uniqueness in designing the flower arrangements. Customisation in each order was also ensured on the basis of client's preference.

Conclusion

Growth process of MS2 was influenced by a number of individual, internal and external factors. The level of support provided by framework elements to the growth of MS2 is set out in Table E10.

Table E10 shows that, individual *capabilities* of RMS2 include motivation to start her own business as well as her goals and motives to grow the business which had **very high** inputs into the growth. Her growth aspiration was very high which had very high influence on MS2's growth. Her family's financial and emotional *support* provided a **very high** level of inputs for the growth of MS2.

The level of support provided by RMS2's *entrepreneurial abilities* was **very high**. Experienced management executives provided a **high** level of support for MS2's growth. Professional training on floral decoration provided a **very high** level of *technical* support for the growth of MS2. Technical abilities for the workers were formed by providing training which created a **very high** level of support for firm growth.

Table E10 Framework elements to MS2's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
Individual Factors					
Capabilities					×
Growth aspirations					×
Family support					×
Internal Firm Environment					
Entrepreneurial ability					×
Managerial ability				×	
Technical ability					×
External Environment					
Product market					×
Opportunities				×	
Government support		×			
Risk and uncertainty				×	
Growth Resources					
Financial					×
Social					×
Human					×
Growth Actions					
Product quality improvement					×
Cost reduction	×				
New service development					×

Table E10 shows that, with gradual economic development of the society, the demand for MS2's services was growing in the market. Hence, *product market* provided a **very high** level of support. Absence of any other provider in the market created an *opportunity* and provided a **very high** level of support for the growth of MS2. Although, lack of government support was assumed as a risk by RMS2, it was moderated by entering into in association with the Women's Chamber of Commerce.

RMS2's family resources provided a **very high** level of support as *financial resources*. A **very high** level of *social* support was provided by RMS2's network contacts. MS2's trained and experienced *human resources* provided a **very high** level of support for its growth.

Regular training for the workers provided a **very high** level of support for *improving product quality*. No cost-reducing strategy was taken by RMS2, therefore *reducing*

cost offered **very low** level of support. *Introducing new services* and developing service features provided **very high** level of support for the growth of MS2.

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MEDIUM SERVICE 3 (MS3)

MS3 is a marketing and social communication agency, set up in 1974. Since its inception, it has been working in the field of communication and social awareness. Over the course of those years, MS3 has built a strong reputation based on its creative campaigns for different agricultural, household, automobile, food and beverage and personal hygiene products and brands of local and multinational companies. MS3 also produces audio visual, printing and research for various government organisations and NGOs. MS3 has been one of the leading firms in the advertising industry of Bangladesh and most of the brands it manages are the leaders in their respective market segments. From a small advertising agency, MS3 has expanded to one of the most successful advertising firms in the country with a staff of about 50.

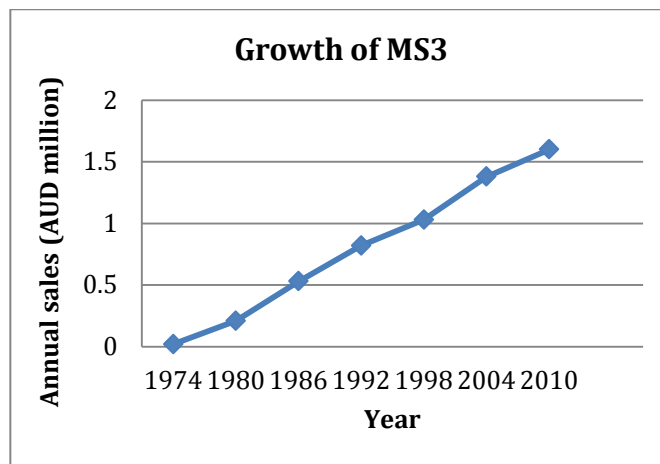
MS3 has great reputation of building some of the strongest brands in the country and its owner has gained awards for her contribution in this industry. The Fortune Magazine, USA recognised her achievements and awarded her as one of “The Leading Women Entrepreneurs of the World”. The Daily Star and DHL honoured her as “The Outstanding Woman in Business of the year”. For her contribution in taking the advertising profession forward, not only in Bangladesh but worldwide, RMS3 was honoured as a “Leading Advertising Practitioner” by the Asian Federation of Advertising Agencies Association (Kamaluddin, 2010).

History of the firm

In July 1974, MS3 was formed as a small enterprise with six employees. It was one of the first advertising agencies in Bangladesh (Kamaluddin, 2010). The journey started in a small 700 square feet room with an investment of AUD130. In those days, even the idea of an advertising agency was new and there were no significant brands in Bangladesh. Initially, MS3 started formulating advertisements and campaigning for a food producing company. In 1977, MS3 was contracted with a large multinational company to design their campaigns and commercials. When these commercials were aired, MS3 started to be recognised in the market. Soon it started working for highly regarded brands of the country and MS3 was moved into a 2,000

square feet office space to accommodate twenty employees. Over the years, with a growing demand in the local market, MS3 has gradually progressed. In 2011, MS3 operated from a well decorated 5,000 square feet office with 50 employees. With almost three decades of experience in marketing and social communication, in 2011, MS3 was considered to be one of the oldest and most successful advertising firms in Bangladesh (Kamaluddin, 2010).

Figure E11 Annual sales MS3, 1974-2010



Source: Annual financial report (MS3, 2011) and personal communication (2011)

Figure E11 demonstrates the growth pattern of MS3 by annual sales. In 1974, the first year of sales the company earned about AUD0.02 million. Despite the small sales volume, from 1980 to 1986, annual sales were increased from AUD0.21 million to AUD0.53 million. Sales growth slowed down during the period 1996 to 1999. Since 2000, MS3 had experienced a consistent growth with an increasing demand in the market. Between 2000 and 2004, annual sales grew from AUD 1.03 million to AUD 1.38 million. However, the growth slowed down again in 2006-07, mainly due to the unstable market conditions caused by internal political actions and events. In 2010, annual sales were AUD 1.6 million.

Applying the framework to MS3

Individual factors

The effect of RMS3's individual factors was significant for the emergence and growth of MS3. From an early age, RMS3 was encouraged to read newspapers, magazines, books and every evening discuss whatever she read with the family. "This habit of reading and expressing my own opinion eventually became my passion and inspired me to be a writer" (RMS3). She started writing stories and essays in the children's pages of various newspapers and magazines when she was very young.

RSM3's capabilities include strong educational background and previous work experiences. She obtained Master degree in English Literature from the University of Dhaka. Immediately after that, she was married and relocated to Karachi with her husband. There she joined the most renowned female magazine as a senior editor (Kamaluddin, 2010). "While working for the magazine, I also did some freelance copy writing for a few advertising agencies" (RMS3). However, she left the job when her husband was transferred back to Dhaka.

On coming back to Dhaka, RMS3 was offered a job in one of the leading advertising agencies at that time. RMS3 worked for that agency and within three months she was promoted from a copy writer to General Manager. In two years, she was the Executive Vice President of the agency. However, she left the agency as her passion for creativity and independence was strong enough to drive her towards starting her own advertising agency.

RMS3's family has been an important contributor to the growth of MS3. The emotional support as well as the positive attitude from her in-laws and her husband's encouragement to build on her passion was a great influence on her starting the business and successfully achieving growth.

Internal environment factors

The *entrepreneurial abilities* of RMS3 and their influence on the growth of MS3 cannot be separated. RMS3's ability to identify the opportunity for an advertising

firm in the market provided a strong base to start the business. She took the risk of investing in a newly created advertising industry and was successful in taking advantage of economic opportunities created by the demand in the local market. She was a visionary as she could identify the potential growth of the advertising industry in the near future.

The growth of MS3 can also be attributed to RMS3's *technical abilities* which she gained from her education background. It was further improved with her experiences in various magazines and advertising agencies. Managerial competence within MS3 was generated by hiring a group of skilled management staff. A few times, RMS3 also undertook short training courses on managerial issues for ensuring her proper control over the management of employees.

External environment factors

An important role was played by the external pull factors in the establishment and growth of MS3. There were only a couple of advertising firms in the industry which meant that RMS3 was pulled into the industry by the opportunity in the market. A large and growing local market for an advertising agency was also an important element behind the creation and development of MS3. There was also a push factor as she resigned from her previous employment and needed to start her own business.

RMS3's honest efforts and hard work to provide best quality services to clients created a very strong relationship with her clients. This strong relationship with clients was considered an important factor which influenced the growth of MS3. The successful operation of MS3 was sometimes hampered by the unethical business practices of the competitors, which RMS3 considered as an unfavourable element for the growth of MS3. According to RMS3, there should be a regulatory agency to create a conducive environment in this industry.

Venture concept

The venture concept of MS3 involved the potential growth objectives of RMS3. MS3's growth potential was the result of RMS3's commitment towards growth. RMS3's

strong determination to exploit the identified market opportunity at a local level created a strong base for the growth orientation of MS3. RMS3's attitude towards risk which formed her willingness to operate in a newly created industry also influenced the actual business growth of MS3.

MS3's growth potential considerably increased in 1977 when it signed an agreement with a large multinational company to design their campaigns and commercials. These advertisements brought recognition for MS3 and soon it was working for the highly reputable brands of the country.

Growth Resources

The steady growth of MS3 involved a varied combination of growth resources which included human, social and financial resources. *Human resources* were considered to be the most important resource for the growth of MS3. RMS3 had a strong educational background which was directly related to the business she pursued. She also had experience in advertising which acted as the knowledge foundation of RMS3 and was also reflected in her technical excellence. MS3's creative and dedicated employees at a competitive salary were considered as vital sources of *human resources* for its growth. RMS3 greatly valued owner-worker relationships as she realised the gap between the number of creative personnel and their demand in the expanding advertising industry in Bangladesh.

Social capital in the form of RMS3's network has played an important role in the growth of MS3. She also has networks available in the form of the Women's Chamber of Commerce which she considers as an important source of support. RMS3's personal savings and family resources were used as initial capitalisation. She managed to save a little from her previous income which she invested in MS3. No financial support was received from any financial institution. Profit surplus of MS3 was reinvested for financing its gradual business growth.

Growth Actions

RMM3 possessed distinctive comparative advantage as she had a degree in English literature as well as long experience in the fields of creative writing and advertising.

The business growth of MS3 was based mainly on her ability to create and popularise the services of MS3. Moreover, in 1977 her contract with the large multinational company brought her fame and recognition in the advertising industry. With this, RMS3 was able to attract the attention of customers to the services of MS3 which made MS3 grow in a short period of time.

MS3 was capitalised with a little investment, therefore efficient use of resources was crucial for survival and growth. Improvement and maintenance of service quality was important for creating a satisfied and loyal customer base. This strong relationship with the clients was strictly maintained by a team of qualified and creative employees, who were also considered as an important factor in MS3's growth.

Conclusion

The growth process of MS3 was influenced by a number of individual, internal and external factors. The level of support provided by framework elements to the growth of MS3 is set out in Table E11.

Individual *capabilities* of RMS3 include motivation to start her own business as well as her goals and motives to grow the business which had **very high** inputs into the growth. Her growth aspiration was **very high** which had very strong influence on MS3's growth. Her family's financial and emotional *support* provided a **high** level of inputs into the growth of MS3.

Level of support provided by RMS3's *entrepreneurial abilities* was **very high**. Experienced management executives provided **high** levels of support for MS3's growth. Technical abilities for the workers were formed by providing training which created a **very high** level of support for firm growth.

Table E11 Framework elements to MS3's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
Individual Factors					
Capabilities					×
Growth aspirations					×
Family support				×	
Internal Firm Environment					
Entrepreneurial ability					×
Managerial ability				×	
Technical ability					×
External Environment					
Product market					×
Opportunities				×	
Government support		×			
Risk and uncertainty				×	
Growth Resources					
Financial					×
Social					×
Human					×
Growth Actions					
Product quality improvement					×
Cost reduction	×				
New service development					×

Table E11 shows that, with the gradual economic development of the society, the demand for MS3's services was growing in the market. Hence, *product market* provided a **very high** level of support. Absence of any other provider in the market created an *opportunity* and provided a **very high** level of support for the growth of MS3. Although, lack of government support was assumed as a risk by RMS3, it was moderated by joining a professional association; with the Women's Chamber of Commerce.

MS3's own savings and reinvestment provided a **very high** level of support as *financial resources*. A **very high** level of *social* support was provided by RMS3's network contacts. MS3's trained and experienced *human resources* provided a **very high** level of support for its growth.

Regular training for the workers provided **very high** level of support for *improving product quality*. No cost-reducing strategy was taken by RMS3, therefore *reducing*

cost offered **very low** level of support. *Introducing new services* and developing service features provided **very high** level of support for the growth of MS3.

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MS3. (2011). 2010 Annual Financial Report.

MEDIUM SERVICE 4 (MS4)

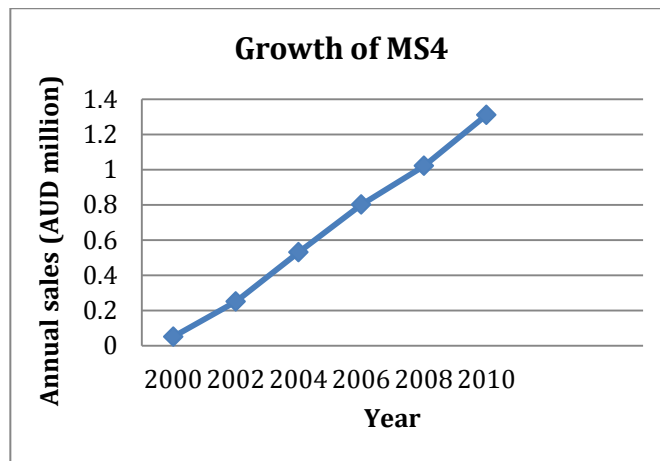
MS4 is a restaurant of Thai, Mexican, Indian and Bangladeshi cuisines. In 2000, MS4 began with the concept of a place of clean and good quality food at low prices for students, families and the busy working population of Dhaka city. MS4 developed as a side-line business which was set up to provide RMS4 with the satisfaction of doing something she always wanted to do. Initially, it started with four workers. However, MS4 had a steady flow of clientele from the very first day and it achieved remarkable goodwill within a year. Over a span of eleven years, MS4 has established a brand in the culinary industry and is considered as one of the most popular places to hang out and enjoy good food in Dhaka city. By 2011, MS4 operated one of few women-owned medium sized restaurants in Bangladesh, employing 50 workers (MS4 website).

MS4 proved its quality achieved its goal of providing quality food at affordable prices and has maintained its leading position in the industry for the last seven years. The success of MS4 is a reflection of the owner RMS4's professionalism and hard work which was acknowledged at the Bangladesh Business Awards where she was awarded Best Women Entrepreneur.

History of the firm

In November 2000, the venture of MS4 began in a 200 square feet shop with a small kitchen in one of the most affluent neighbourhoods in Dhaka city. With an investment of AUD2000, the shop was furnished for regular dining arrangements of fifteen guests. With four employees and a growing clientele, it did not take long for MS4 to be popular especially among young people. In March 2005, MS4 moved to new premises at a food court which could accommodate 50 people. MS4's popularity continued to increase and a second restaurant was opened in 2010 with larger premises accommodating one hundred guests (MS4 website). By 2011, as a brand, MS4 grew into one of the most popular restaurants in Dhaka city.

Figure E12 Annual sales MS4, 2000-2010



Source: Annual financial report (MS4, 2011)

The growth pattern by annual sales of MS4 is illustrated in Figure E12. The first year of business earned about AUD0.05 million. In 2002, annual sales increased up to AUD0.25 million. With growing demand in the market, MS4's outlet was shifted to a larger space in 2005. With increased capacity to serve more clients from the larger outlet MS4 yielded around AUD 0.80 million during 2006. To achieve higher growth, in 2010, a second restaurant was added to the business and the annual sales increased from around AUD1.02 million to AUD1.31 million.

Applying the framework to MS4

Individual factors

RMS4's *Individual factors* played an important role for the growth of MS4. From a very early age, RMS4 had a deep passion for food preparation. "I used to experiment with different styles of cooking" (RMS4). From this passion, she attended a culinary course with a view to improve her cooking skills. In 1995, she graduated in English literature from University of Dhaka. After that, RMM4 joined Bangladesh Television as an English newscaster. "After being a regular staff member, in 1996, I started saving money to start my own business" (RMS4). At that time, she also completed the cooking course which created a strong *aspiration* in her. RMS4's passion for food preparation and desire for independent earnings provided her with a strong motivation to be in the hospitality industry and start her own restaurant.

Family support played an important role for the growth of MS4. Being a daughter of a businessman, RMS4, like her father, took a keen interest in entrepreneurship. However, she was married after her graduation and did not get the chance to start a business. Years later, when she saved some money for herself, she began to pursue her interest in business more seriously.

Internal environment factors

The prosperous growth operations of MS4 were the results of RMS4's entrepreneurial capabilities. RMS4's risk taking ability allowed her to invest in a male dominated industry. Her efficiency of resource allocation and accurate decision making ability confirmed a strong market base for MS4. She had the courage take the challenge of being a leading player in a male dominated industry.

RMS4 received training on managerial issues through short courses arranged by the Women's Chamber of Commerce and Industry for ensuring proper control over the management employees. Managerial competences at MS4 were further improved by providing regular on-the-job training to the management employees.

External environment factors

The success and growth of MS4 can be credited to the pull factors of the external environment. Being a densely populated and crowded city, there was a lack of places in Dhaka for people to hang out with friends and spend some quality time with good food. The opportunity for such a place with warmth and friendliness was apparent so that RMS4 was pulled into business. As a result of this opportunity, MS4 created a market for good food. The market grew large and continued growing which was also an important element behind the creation and development of MS4.

Selecting the most suitable location for MS4 was another important factor for the business's growth. The target customers for MS4 were busy office workers and students who belong to the upper-middle and upper class income group. Therefore, RMS4 selected a place in the most affluent neighbourhood in Dhaka city which was

expensive. However, this decision was wise, as the place was in the heart of the city and close to places where the target consumers lived.

Unfair practices by other restaurant owners were acknowledged as an obstacle to the growth of MS4. The absence of an association to protect the interests of the restaurant industry also created an unfavourable influence for the firm's growth.

Venture concept

The venture concept of MS4 involved the potential growth objectives of RMS4. Her ability to identify opportunity in the market created a strong base for MS4's growth orientation. Her attitude towards risk and uncertainty that developed her willingness to operate in a male dominated industry also influenced the growth of MS4.

In 2000, MS4 started with four workers. However, as MS4 started growing, it required more skilled workers including chefs and cooks. The culinary industry was suffering from lack of training institutes and therefore it was hard to find skilled workers. RMS4 hired unskilled workers and trained them herself for three months. The growth potential of MS4 was increased with the improved level of skills.

Growth Resources

MS4's growth resources included financial, social and human resources. RMS4 acknowledged *financial resources* to be the most important resource for the growth of MS4. RMS4's personal savings from her previous job were used as initial capitalisation. Profit surplus of MS4 was reinvested for financing its gradual business growth.

RMS4's job as a television newscaster provided her name and recognition in the society. *Social resources* in the form of network contacts have been important for accumulation of business knowledge and experience which contributed towards the growth of MS4. She also has networks available in the form of the Women's Chamber of Commerce which she considers as an important source of support.

Human resources were another important influence on the growth of MS4. Although the education of RMS4 was not directly related to the business she pursued, she had training in cooking which acted as her knowledge foundation and this was also reflected in her technical excellence. MS4's trained workforce was also considered as an important resource for its growth. RMS4 improved her employees' level of skill by training them which resulted in greater performance.

Growth Actions

Improving the service quality and developing new features were important growth actions taken by RMS4. There were an enormous number of cafes and restaurants in Dhaka city. Therefore, RMS4 concentrated on popularising foreign cuisines in MS4. Well trained chefs used good quality ingredients for preparing food which differentiated MS4 from other restaurants in the city. RMS4 also arranged amateur as well as professional singers, poets, comedians and, musicians to perform either voluntarily or for a small honorarium, once a month on a weekend. With these efforts, MS4 was successful in attracting more customers and satisfying their culinary needs which eventually created a strong client base for MS4.

RMS4 realised human resources to be one of the most important factors for the success and growth of MS4. She also realised the value of trained and loyal workers. As an instrument of encouraging and motivating the human resources, RMS4 started providing a financial reward to the most hard-working employee every month. This initiative worked as an important motivator for MS4's human resource to work with more dedication and devotion.

Conclusion

MS4's growth was influenced by a number of individual, internal and external factors. The level of support provided by framework elements to the growth of MM2 is set out in Table E12.

Table E12 shows that, RMS4's individual *capabilities* include strong motivation to start a business which had **high** inputs into the growth. To be more successful, she

was driven by **very high** *growth aspirations*. RMS4's *family inspiration and support* provided a **high** level of inputs for the growth of MS4.

Table E12 Framework elements to MS4's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
<i>Individual Factors</i>					
Capabilities				×	
Growth aspirations					×
Family support				×	
<i>Internal Firm Environment</i>					
Entrepreneurial ability					×
Managerial ability				×	
Technical ability					×
<i>External Environment</i>					
Product market				×	
Opportunities				×	
Government support		×			
Risk and uncertainty				×	
<i>Growth Resources</i>					
Financial					×
Social				×	
Human				×	
<i>Growth Actions</i>					
Product quality improvement					×
Cost reduction	×				
New service development					×

The level of support provided by RMS4's *entrepreneurial abilities* was **very high**. Experienced management executives provided a **high** level of support for MS4's growth. Professional training in cooking provided a **very high** level of *technical* support for the growth of MS4. The workers' technical abilities were formed by providing training which created a **very high** level of support for firm growth.

Along with the increasing population and their changing food preferences, the demand for MS4's services was growing in the market. Therefore, *product market* provided a **very high** level of support. Lack of good quality foreign cuisine restaurants in the market created an *opportunity* and provided a **very high** level of support for the growth of MS4. Unethical practices by other restaurant owners were assumed a risk by RMS4 but this risk was moderated by the maintenance of food

quality. The level of support provided by the *government* was **low**, as the industry still is not getting any specific support from the government. However the owner has been able to gain some small support as a general women-based business.

The personal savings of RMS4 provided a **very high** level of support as financial resources. A **high** level of *social* support was provided by RMS4's network contacts. Trained and skilled *human resources* provided a **high** level of support for its growth, although the training incurred certain costs. This training for the workers also provided a **very high** level of support for *improving product quality*. No cost-reducing strategy was applied by RMS4, therefore *reducing cost* offered a **very low** level of support. *Introducing new services* and developing service features provided a **very high** level of support for the growth of MS4.

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SMALL SERVICE 1 (SS1)

SS1 is a supplier and installer of telecommunications equipment. In 2000, it started as a small PABX (Private Automated Branch Exchange) phone line provider in a central location within Dhaka city. With strong local demand, it soon became a supplier of various sorts of telecommunications equipment. With an enormous increase in the number of telephone users in Bangladesh, and the evolution of mobile telephone systems, in time SS1 started installation as well as maintenance of microwave equipment. Catering to the growing demand for mobile telecommunication, in 2009, SS1 provided services such as: supply and installation of tower equipment, maintenance and testing of towers, appropriate earthing for towers and equipment, alignment of antennas, cabling and ducting, installation and commissioning of microwave equipment. During 2010, SS1 operated in four different districts of the country where twenty technical staff were involved in installation and maintenance of towers and microwave equipment. In 2011, SS1 employed twenty two technical staffs, two administrative officers and an accountant (SS1 website).

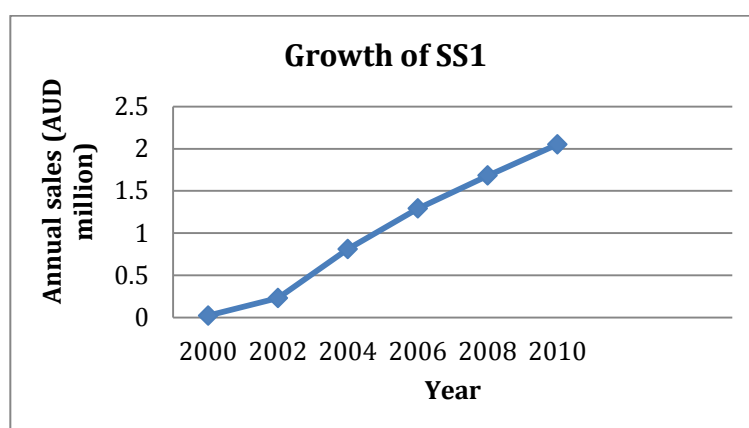
SS1 achieved its goal through its quality and excellent business operations. The success of SS1 is the reflection of the owner RSS1's professionalism and hard work which was acknowledged and she was awarded with 'The Outstanding Women in Business Awards'.

History of the firm

SS1 was set up as a PABX phone line provider in 2000 with two workers in a small 400 square feet shop. Initially it started connecting PABX phone lines and selling small connectors and other telephone equipment. SS1's business started with residential as well as commercial telephone connections. The demand for various types of telephone equipment was increasing and soon SS1 started selling all sorts of telecommunication equipment including telephone sets, connectors, cables, antennas. The number of customers continued to increase and in 2004, SS1 moved into a larger shop with 1,200 square feet area (SS1 website). By that time, mobile telecommunication became popular in Dhaka city and SS1 started installation and

maintenance of microwave equipment for various mobile operators. Operational sophistication was further improved and in 2009, SS1 started installing, testing as well as maintaining mobile frequency towers and microwave equipment (SS1 website) for most of the mobile operators of the country.

Figure E13 Annual sales SS1, 2000-2010



Source: Annual financial report (SS1, 2011)

The growth pattern by annual sales of SS1 is illustrated in Figure E13. In 2000, the first year of business delivered about AUD0.02 million. SS1 grew slowly during 2002 with annual sales of AUD0.23 million. With growing demand in the market, SS1 shifted to a larger space in 2004 to allow it to serve a greater number of clients. This yielded around AUD 0.81 million for 2004. Since 2004 it has had stable strong growth. However, the growth slowed down during 2007 mainly due to the unstable political situation in the country. To achieve higher growth, in 2009, more complicated technical services were added. Due to all these additions, the annual sales grew from AUD1.68 million in 2008 to AUD2.05 million in 2010.

Applying the framework to SS1

Individual factors

RSS1's *individual factors* played an important role for the growth of SS1. RSS1 belonged to a business family. Her father was a businessman. RSS1 had three brothers who also owned businesses. "I was greatly inspired by my father and my

brothers” (RSS1). Her desire to run her own business created strong *motivation* and an *aspiration* in her to start a strong growing business.

RSS1 married in 1996, to a government officer who encouraged her to go ahead with her business ambition. Initially her husband came up with the idea of PABX phone line business as it was easy and did not require a huge investment. “Finally in 2000, I took the investment from my husband and started my business with two technicians to assist me” (RSS1). *Family* has been an important contributor towards the growth of SS1. RSS1’s husband as well as in-laws supported her towards establishment and growth of SS1. The emotional and financial support from her *family* and her husbands’ encouragement was a great influence on her starting the business in 2000.

Internal environment factors

The entrepreneurial abilities of RSS1 as influences towards the success of SS1 cannot be separated from the firm’s growth. Dhaka city is an appropriate market for mobile telephone services due to its large and highly concentrated population. RSS1’s ability to identify this as an opportunity provided a strong base to start the business. She took the risk of investing in a male dominated industry and was successful in taking advantage of economic opportunities created by the demand in the local market. She was a visionary as she could identify the potential growth of the industry in the near future.

RSS1 went to China and her initial technical abilities were created by the three months training she received there. Later, she also trained her own workers for SS1. RSS1 undertook training through short courses on managerial issues arranged by the Women Chamber of Commerce and Industry. Managerial competences of SS1 were further improved by providing regular on-the-job training to the management employees.

External environment factors

The success and growth of SS1 can be attributed to the pull factors of the external environment. With the strong economic development of Bangladesh, there was a rapid increase in the demand for mobile telecommunication. As a result, the number

of mobile subscribers increased, creating a scope for SS1's services in the market. This large and growing market was the important factor behind success of SS1. The telecommunications equipment was imported from foreign countries, mostly from China and Korea, on the basis of consumer's demand. RSS1 always maintained a strong relationship with her suppliers. Timely supply of good quality materials was the external factor which influenced growth of SS1.

The absence of an association to protect the interest of this growing industry was acknowledged by RSS1 as an unfavourable influence on the firm's growth. The successful operations of SS1 were hampered by the unethical business practices of competitors, which were also considered an unfavourable element for the growth of SS1.

Venture concept

The venture concept of SS1 involved the potential growth objectives of RSS1. In 2004, SS1's growth potential was significantly increased when RSS1 started selling various sorts of telecommunications equipment after being a PABX phone line provider.

Initially SS1 started with two workers to assist RSS1. However, as SS1 gradually grew, the need for skilled technicians became greater. It was difficult to find skilled workers as the industry was new. Semi-skilled employees were hired and then trained by RSS1 herself. With improved level of skill, new services were added.

Growth Resources

The growth resources of SS1 included financial, organisational and human resources. Financial resources were very important for the growth of SS1. SS1 started with initial funding provided by RSS1's husband and then borrowed from the bank for expansion in 2004 which was considered as one of the most significant factors for SS1's growth.

Skilled and reliable workers have been a part of SS1's organisational resources. The organisational structure of SS1 was quite simple. RSS1 herself is at the top level with

three administrative officers at the middle level. Technicians worked at the bottom level. Although the industry suffered from a lack of skilled workers, SS1's dedicated workforce was considered as another important resource for its growth. Semi-skilled workers were developed into effective staff through training and on-the-job assistance that resulted in SS1's excellent performance. RSS1 greatly valued owner-worker relationships as she realised the gap between the number of skilled workers in the industry and her demand for such workers.

Growth Actions

Development of new services was one of the most important growth actions of RSS1. RSS1 was confident that to satisfy the increasing demand for mobile telecommunication, mobile operators would require strong technical support from a domestic provider. With a team of skilled and hardworking technical staff, RSS1 was able to provide strong technical support to these mobile operators.

SS1's strong technical team was one of the most important factors in the success and growth of SS1 (SS1 website). RSS1 also realised the value of trained and loyal workers. As an instrument for encouraging and motivating the human resources, in 2008, when competition intensified in the market, she started paying higher wages to the employees. This growth action of RSS1 worked as the main motivating force to drive SS1's staff to work with more dedication and devotion.

Conclusion

SS1's growth was influenced by a number of individual, internal and external factors. The level of support provided by framework elements to the growth of SS1 is set out in Table E13.

Table E13 shows that, RSS1's individual *capabilities* include strong motivation to start a business was a **high** input into growth. To be more successful, she was driven by **very high** *growth aspirations*. RSS1's *family* inspiration and *support* provided a **very high** level of inputs for the growth of SS1. The level of support provided by RSS1's *entrepreneurial abilities* was **very high**. Professional training on telecommunications equipment provided a **very high** level of *technical* support for

the growth of SS1. Technical abilities for the workers were formed by providing training which created a **very high** level of support for firm growth.

Table E13 Framework elements to SS1's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
Individual Factors					
Capabilities				×	
Growth aspirations					×
Family support					×
Internal Firm Environment					
Entrepreneurial ability					×
Managerial ability				×	
Technical ability					×
External Environment					
Product market				×	
Opportunities				×	
Government support		×			
Risk and uncertainty				×	
Growth Resources					
Financial					×
Organisational				×	
Human					×
Growth Actions					
Product quality improvement					×
Cost reduction	×				
New service development					×

The demand for SS1's services was growing in the market with the economic change in the country. Therefore, *product market* provided a **very high** level of support. Lack of other providers in the market created an *opportunity* and provided a **very high** level of support for the growth of SS1. Unethical business practices by competitors created unfavourable effect for the growth of SS1. The level of support provided by the *government* was **low**, as the industry still is not getting any specific support from the government; however the owner has been able to gain some small support as a general women-based business.

RSS1's family resources provided a **very high** level of support as financial resources. A **high** level of *organisational* support was provided by SS1's simple organisational

structure. SS1's trained *human resources* provided a **very high** level of support for its growth. Regular training and on-the-job assistance for technical workers provided a **very high** level of support for *improving product quality*. No cost-reducing strategy was taken by RSS1; therefore *reducing cost* offered a **very low** level of support. *Introducing new services* and developing service features provided **very high** level of support for the growth of SS1.

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SMALL SERVICE 2 (SS2)

SS2 is an architectural consultancy firm. Founded in 2002, SS2 began as a firm that aimed to popularise new contemporary architectural thinking in Bangladesh. It provides full architectural services including interiors, landscaping, master planning, and graphic designing to a wide variety of residential projects, offices, hotels, commercial facilities as well as various scales of industrial and commercial institutional projects (SS2 website). The nature of SS2's activities incorporates local off-white sandstone, as well as local crafts such as hand-made terrazzo tiles, timberwork and wrought iron, which had made it very popular with clients. With an increase in number of clients SS2 moved into a larger office in 2006. By 2011, SS2 employed twelve architects, six engineers and two accountants.

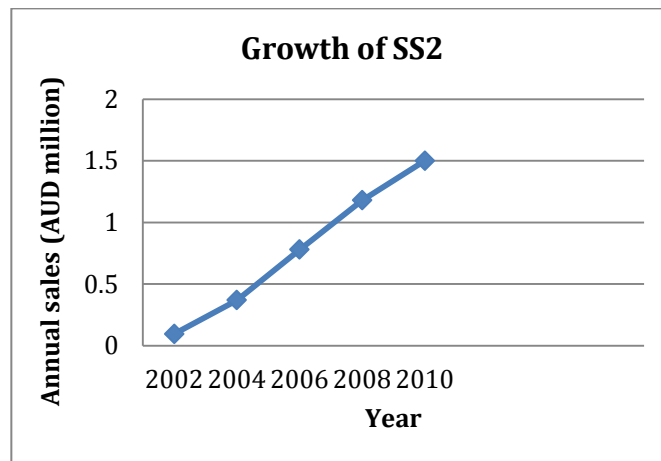
The success of SS2 as well as the owner's creativity and business leadership has been acknowledged a number of times. RSS2, the owner of SS2 received the award of the 'Outstanding Women Entrepreneur' (Rahman, 2011). The next year, she was awarded the 'National SME Women Entrepreneurship Award'. SS2 also won a national design competition for climate-responsive design for a twenty story tower. She also received the 'Institute of Architects Bangladesh Design Award' for a residential project.

History of the firm

In 2002, SS2 emerged as one of the very few architectural consultancy firms created and maintained by a women architect. SS2 started with a small investment which could only buy a computer, some stationery items such as tracing paper, drafting pens and some books on architecture. Initially, a small room in RSS2's apartment was used as the office for two architects and RSS2 herself. Soon, the exceptional environmentally friendly designs became popular among clients and SS2 rented a small office in 2003. In 2004, when SS2 won the national design competition for climate-responsive design for a twenty story tower it brought prompt recognition. A major breakthrough came in 2005 when SS2 designed the interiors of one of the largest pharmaceutical company in Bangladesh (Rahman, 2011). The work orders started flowing in from multinational banks and other companies. In 2006, SS2

moved into a larger office and hired ten architects, four engineers and an accountant. With a total of twenty employees, in 2011, SS2 is now considered as one of the successful women-owned architectural consultancy firms of the country (Rahman, 2011).

Figure E14 Annual sales SS2, 2002-2010



Source: Annual financial report (SS2, 2011)

Figure E14 demonstrates the growth pattern of SS2 in annual sales. In 2002, the first year the business earned about AUD0.096 million. Despite the small sales volume in the initial years, SS2 grew slowly during 2004 with annual sales of AUD0.37 million. In 2004, the national award brought recognition and annual sales grew to AUD0.78 million in 2006. The same year, SS2 moved to a larger office and more architects and engineers were hired. With increased manpower SS2 served more clients from the new operational areas which yield around AUD1.18 million in 2008. In 2010, annual sales grew up to AUD1.5 million.

Applying the framework to SS2

Individual factors

The *individual factors* of RSS2 and their influence on the growth of SS2 are important. Individual *capabilities* of RSS2 include her educational background and previous work experience. In 1999, RSS2 graduated from Bangladesh University of Engineering and Technology and started working in an engineering firm (Rahman, 2011). This educational background provided her with the basic competence which

she was able to improve further by working in an engineering firm. “While working in the engineering firm, I was attracted by the business opportunity arising from the gradual development of Dhaka city” (RSS2). She started saving money to build on her interest. SS2’s desire to shape the architectural development of Dhaka city with her abiding interest in environment friendly designs created a strong *motivation*. Her intention to play a greater role in the larger architectural exploration of the city and its future formed an *aspiration* in her to start her own consultancy firm.

Family has been an important contributor towards the growth of SS2. RSS2 was married in 2000. “My husband was an engineer and worked as a consultant in a private engineering firm” (RSS2). Her husband has been supportive of her business and provided his insights into the business whenever needed. The emotional support from her in-laws also created great influence on her to start the business in 2002.

Internal environment factors

Prosperous growth operations of SS2 were the results of RSS2’s entrepreneurial capabilities. Architectural and engineering consultancy was not among the businesses commonly practiced by women entrepreneurs in Bangladesh (Rahman, 2011). The risk taking ability of RSS2 allowed her to invest in her own business. Her efficiency of resource allocation and accurate decision making ability was combined with her desire to popularise contemporary architectural designs which confirmed a strong market base for SS2. Moreover, she was an innovator in creative designing as she used local materials and crafts for constructing energy efficient and environmentally friendly buildings which were much appreciated by her clients.

This form of design and construction can also be attributed to RSS2’s technical competence which she gained from her four-year education background. It was further improved by RSS2’s experience working as a consultant in an engineering firm. Qualified architects and engineers were hired for maintaining professional excellence (SS2, website). For achieving managerial competence, RSS2 undertook training courses on management aspects.

External environment factors

An important role was played by the external pull factors for the establishment and growth of SS2. According to RSS2, the scope for architects and interior designers has expanded after the 1990s. The architectural trend began to change as people travelled more and came to know the importance of good environmentally friendly designs. This large domestic market with growing demand was the main factor by which RSS2 was pulled into business.

Utilisation of locally available construction and decoration materials was another element of external environment which influenced the growth of SS2. Local sandstones, timberwork, handmade terrazzo tiles and wrought iron were used for energy efficient conventional designs which also reduced the cost of construction (SS2 website).

SS2 encountered competition from hundreds of other design and consultancy firms in Dhaka city. Copying designs from foreign magazines is what RSS2 refers to as 'cut-paste of magazine architecture' conducted by most of these firms. Yet RSS2 considers this approach is an obstacle to growth. Based on unique designs and low-cost local materials, SS2 was able to secure a certain creative portion of the market that was attracted to this approach. The business was also able maintain a steady growth with this competitive advantage.

Venture concept

The venture concept of SS2 was made up with RSS2's potential growth goals. For accelerating SS2's growth propensity, RSS2 decided to be creative and utilise local construction and decoration materials for unique designing. With a strong technical background, she was able to ensure conventional design with eco-friendly features. In 2004, RSS2 the result of winning the national design competition was countywide recognition and the growth potential of SS2 was significantly increased. The growth of SS2 was secured when it designed the interiors of one of the largest pharmaceutical companies in Bangladesh and this brought recognition among commercial builders.

Growth Resources

The growth resources of SS2 included financial, physical and human resources.

RSS2's personal savings were used for initial capitalisation of SS2. She managed to save a little which she invested in buying a computer and other stationery items as well as paying the designers. Later, profit surplus of SS2 was reinvested for financing its subsequent growth.

SS2's physical resources included local materials, technology of construction and interior decoration. Domestically available quality sandstones and other traditional decorative materials was an easy source of physical resources. The innovative way of utilising and combining these elements can be recognised as the most important technological resource of SS2. Skilled professionals with sound technical knowledge were the sources of strong human resources for SS2.

Growth Actions

RMM3 possessed distinctive comparative advantage as she was a qualified architect. The growth of SS2 depended on her ability to satisfy consumer demand for energy efficient environmentally friendly construction. With her strong educational background she was able to differentiate her work from the others which ensured SS2's growth.

SS2's strong team of architects and engineers was another important factor for the success and growth of SS2. RSS2 ensured better pay, good work environment and maintained excellent working relationship with her team. This ensured a certain work environment for her skilled team.

Conclusion

SS2's growth was influenced by a number of individual, internal and external factors. The level of support provided by framework elements to the growth of SS2 is set out in Table E14.

Individual *capabilities* of RSS2 include her educational background and strong motivation to start her own business which had **very high** inputs into the growth.

Her *growth aspirations* had a **very high** level of support for SS2's growth. RSS2's *family inspiration and support* provided a **high** level of inputs for the growth of SS2. The level of support provided by RSS2's *entrepreneurial abilities* was **very high**. A four-year education background provided a **very high** level of *technical* support for the growth of MM3. RSS2's short training on managerial issues provided a **high** level of support.

Table E14 Framework elements to SS2's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
<i>Individual Factors</i>					
Capabilities					×
Growth aspirations					×
Family support				×	
<i>Internal Firm Environment</i>					
Entrepreneurial ability					×
Managerial ability				×	
Technical ability					×
<i>External Environment</i>					
Product market				×	
Opportunities				×	
Government support		×			
Risk and uncertainty			×		
<i>Growth Resources</i>					
Financial				×	
Human					×
Physical					×
<i>Growth Actions</i>					
Product quality improvement					×
Cost reduction					×
Technological development					×

Table E14 shows that, increasing scope for architectural designers increased the demand for SS2's service in the market. *Product market* for a local designer was **high**. A **high** level of *opportunities* was created with low cost local materials. The level of support provided by *government* was **low**, as the industry still is not getting any specific support from the government. However, RSS2 gets the tax exemption, as she belongs to the SME sector. Intense competition is considered as an obstacle to growth. However, RSS2 was able to overcome the risk by differentiating SS2's work from competitors.

The personal savings of RSS2 and reinvestment of profit provided a **high** level of support as financial resources. As *physical resources*, low cost local materials provided a **very high** level of input for SS2's growth. SS2's creative as well as skilled team provided very high level of support for firm growth. The level of importance for innovative designing was **very high** for improving *product quality, reducing production cost* and achieving *technological advancement* in SS2's services.

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SMALL SERVICE 3 (SS3)

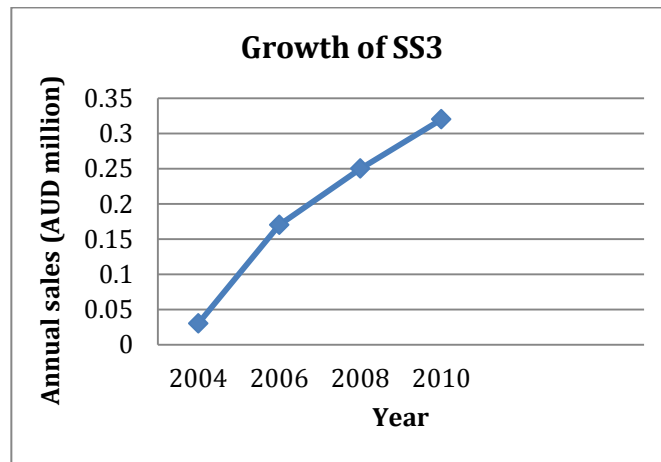
SS3 is an educational institute based in Dhaka, Bangladesh. It was formed in 2004, to assist building the career path of those individuals who wanted to explore the design sectors, such as – fashion designing, interior designing, Ikebana, Bonsai. SS3 offers a range of undergraduate programs in Fashion Design and Technology (FDT) under the National University of Bangladesh. A number of Diploma courses in fashion design, interior design, and graphic design are also offered. Designed to meet the needs of students, SS3 offers various facilities for academic art and designing. Besides the course studies, SS3 also provides the students with practical hands on experience through internships and commercial projects. SS3's qualifications are well recognised in the industry as evidenced by the success stories of its graduates (Durrani, 2011). With a student population of 500, in 2011, SS3 employed twelve academic and five administrative staff (SS3 website).

SS3 emerged as a successful and growth oriented venture through the owner SS3's insightful and timely decisions as well as her business leadership. As a result, she was awarded the 'National SME Women Entrepreneurship Award' for her success with this firm (Durrani, 2011).

History of the firm

The journey of SS3 started in a spacious rented office consisting four rooms. Two of the rooms were used as class rooms, the room at the front was used as reception and the other room was used for practical training and making. There were only two employees at the beginning. In 2004, the first intake in the fashion design course had seven students. The second intake started a month later. RSS3 conducted the course studies as well as the practical training. The number of students increased in 2005, as SS3 obtained government affiliation and offered courses under the National University of Bangladesh. In the same year, more courses on interior designing, graphic designing, Ikebana and Bonsai were added. SS3 arranged a fashion show for displaying students' work (SS3 website). A diversified range of courses and previous students' works attracted more students.

Figure E15 Annual sales SS3, 2004-2010



Source: personal communication with RSS3 (SS3, 2011)

The growth pattern of SS3 is illustrated in Figure E15. In 2004, the first year of business SS3 earned about AUD0.03 million. The affiliation with the government university in 2005 increased the number of students. Five academic staff and two administrative staff were hired and the following year SS3 grew significantly with annual sales of AUD0.17 million. With growing demand for industry specific courses, annual sales of SS3 continued to grow and yielded AUD 0.25 million in 2008. In 2010, eight academic staff was added. To achieve higher growth, more courses were added which attracted more students. Due to all these additions, annual sales were AUD0.32 million in 2010.

Applying the framework to SS3

Individual factors

The *individual factors* of RSS3 were important for the growth of SS3. RSS3's *capabilities* include strong educational background and previous work experience in creative design. In 2000, RSS3 graduated from the Fine Arts Institute of University of Dhaka. This opportunity to learn creative design provided her with an essential background and training. RSS3 worked in a school as a drawing teacher until 2004 (Durrani, 2011). "However, I was entirely driven by the passion for creative designing which made me initiate the business during 2004" (RSS3). Soon the

business started growing and needed RSS3's complete attention. "Once SS3 started growing, I decided to leave the job and focus on my business" (RSS3).

RSS3's family was involved in business as well as in government. Her father was one of the most renowned businessmen of the eighties in Dhaka. RSS3 was greatly inspired by her father's work. Her desire to run her own business started growing since childhood (Durrani, 2011) which created a strong *motivation* and *aspiration* in her.

In 2000, RSS3 was married to a businessman who was a former adviser to the Government of Bangladesh. Due to her strong family background, RSS3 had access to the country's influential people which facilitated the start-up and growth of SS3. "My husband's position in the government helped me to get compulsory government approvals" said RSS3, which was essential for offering various undergraduate level courses under the affiliation of National University of Bangladesh.

Family was an important contributor towards the growth of SS3. RSS3 was living in a extended family since her marriage and her parents in-law were very understanding and always supported her business ambition. Her family's emotional support great influenced her decision to start the business in 2004.

Internal environment factors

SS3's effective growth operations were the outcomes of RSS3's *entrepreneurial abilities*. In 2004, except for the Fine Arts Institute of University of Dhaka, there was no particular institution to provide education and training in creative art and design. With the growing population of the city and the growing students' interest in the subject, the need for such an institution was increasing day by day. RSS3's capacity to identify this as an opportunity and act upon it for a profitable business formed the strong base for SS3 to start and grow. Little was known about the industry and SS3 accepted the challenge of investing in it. However, she was successful in gaining out of the economic opportunity created by the local demand.

The successful growth performance of SS3 was the result of *managerial* and *technical* abilities. Initially, the *managerial capabilities* of SS3 were formed by hiring

a group of experienced administrative staff who possessed higher degree of managerial skills. This was further improved by training courses from the Women's Chamber of Commerce and Industry.

SS3's growth can also be attributed to RSS3's *technical abilities* which she gained from her educational background. This was further improved with her experience working as a drawing teacher in a school. Later, a group of art graduates were hired to fill the academic positions of SS3 which also added to its technical capabilities.

External environment factors

The success and growth of SS3 can be attributed to the pull factors of the external environment. The ready-made garment industry was blooming and the need for professional designers was increasing (Durrani, 2011). While, RSS3 was working as a drawing teacher, she used to provide some freelance short training in fashion design. "I realised that, there is an increasing demand for these sorts of courses on which I could base my business" (RSS3). This large and growing market was an important factor behind the growth of SS3.

Government support was another important factor for the growth of SS3. Due to RSS3's husband's position in the government, it was not difficult for SS3 to obtain government permission for offering courses under the National University of Bangladesh. A certain flow of students was ensured by this and the growth of SS3 was escalated.

Due to the unique nature of SS3's courses, it required the organisation of fashion shows and exhibitions for demonstrating students' work. It was significant for the students as they were recognised and appreciated through these shows. For organising and funding these shows, a major portion of SS3's profit needed to be reinvested. Although, this was mentioned as a business risk by RSS3, she was able to overcome this risk by attracting more students by these shows.

Venture concept

The venture concept of SS3 involved the potential growth objectives of RSS3. The growth potential of SS3 was considerably increased in 2005 when the institute obtained government affiliation to offer various courses under the National University of Bangladesh. The number of students was notably increased after 2005. Initially SS3 started with a receptionist and a cleaner to assist RSS3. The receptionist used to work as a student counsellor as well. RSS3 conducted the classes herself in two shifts. However, as the number of students increased, there was a need to hire teachers with creative background. SS3's academic positions were filled by hiring fine-art graduates. With increased number of teachers and improved level of skills, new courses were offered to the students which also increased the number of students.

Growth Resources

The growth resources of SS3 included social, financial and human resources. Social resources were considered as an important for the formation and subsequent growth of SS3. RSS3's powerful family background in business as well as in government provided SS3 with strong social capital. Her husband's influential status in government facilitated SS3 to affiliate with government-owned university. By this, the quality and standard of SS3's education was recognised in the market which helped to attract students' attention.

Financial resources also played important role for the growth of SS3. RSS3's personal savings from her previous earnings was initially used for funding SS3. An office was rented and two employees were hired with this money. Gradually SS3's own profits were reinvested for growing the business further.

SS3's strong team of creative artists was an important source of human resources. These creative artists were provided with training courses on teaching for improving their level of teaching skill.

Growth Actions

Introducing new services in the market by offering production-oriented practical courses and training was an important growth action of SS3. RSS3 was confident

that, flourishing ready-made garment industry would require increasing numbers of professional designers. The need for a domestic education institute providing these courses was increasing. RSS3 with her educational background in creative design was able to cater to the demand of the industry.

Affiliation with a state-owned university was another important growth action of SS3. This affiliation brought SS3 with a recognition which helped in attracting more students to grow the business.

Conclusion

SS3's growth was influenced by a number of individual, internal and external factors. The level of support provided by framework elements to the growth of SS3 is set out in Table E15.

RSS3's individual *capabilities* include her educational background and strong motivation to start her own business which had **very high** inputs into the growth. Her *growth aspirations* had a **very high** level of support for SS3's growth. To be more successful, she was driven by **very high** *growth aspirations*. The level of support provided by *family* was **high**, as she was emotionally supported by her husband but did not receive any financial support.

The level of support provided by RSS3's *entrepreneurial abilities* was **high**. Skilled administrative staff with greater *managerial abilities* provided a **high** level of support for SS3's growth. RSS3's four-year education in creative design provided a **very high** level of *technical* support for the growth of SS3.

A boom in the ready-made garment industry increased the demand for professional designers and the demand for SS3's service in the market. The *product market* for a local educational institute to provide industry specific education and training was **very high**. Lack of other providers in the market created an *opportunity* and provided a **very high** level of support for the growth of SS3. The level of support provided by *government* was **very high** in the form of affiliation of SS3 with the national university.

Table E15 Framework elements to SS3's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
Individual Factors					
Capabilities					×
Growth aspirations					×
Family support				×	
Internal Environment					
Entrepreneurial ability				×	
Managerial ability				×	
Technical ability					×
External Environment					
Product market					×
Opportunities					×
Government support					×
Risk and uncertainty				×	
Growth Resources					
Financial					×
Social					×
Human					×
Growth Actions					
Quality improvement					×
Cost reduction	×				
New service development					×

Table E15 shows that, personal savings from previous earnings of RSS3 provided a **very high** level of support as *financial resources*. The influential position of RSS3's husband provided a **very high** level of support for SS2 to obtain affiliation with the national university of Bangladesh. SS3's *human resources* in the form of qualified academics provided a **very high** level of support for its growth.

Quality of service was improved by providing teaching-training for academic staff which provided a **very high** level of support for the growth of SS3. RSS3 did not apply any cost reduction strategy. *Introducing new services* provided a **very high** level of support for the growth of SS3 in the form of production-oriented practical courses.

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SMALL SERVICE 4 (SS4)

SS4 is an airport shuttle bus service providing firm. In operation since 2000, SS4 deals with major airlines, Foreign Missions and NGOs. It also provides Dhaka, Chittagong and Sylhet residents with a regular transport service to the Dhaka International Airport. SS4 consist of three offices in Dhaka, Chittagong and Sylhet with twenty four employees working around the clock 365 days a year (SS4 website). Initially it started with four workers. However, SS4 had a steady flow of passengers and clientele from the beginning and established goodwill within the first year of its operation. Over a span of eleven years, SS4 was established as one of the most renowned shuttle bus service providers in the country (Hossain, 2009).

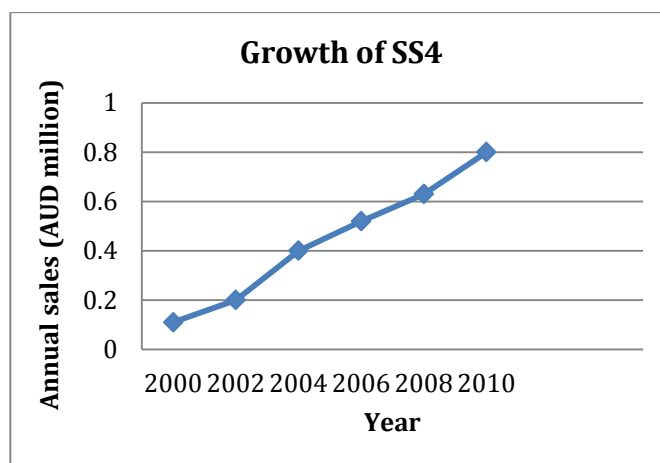
RSS4, the owner of SS4 aimed to make passengers' travelling experience safe and comfortable as well as affordable. SS4 proved its commitment and excellence towards its aim of providing good quality service at affordable prices. Over the years the success of SS4 is the reflection of the owner RSS4's professionalism and hard work which was acknowledged and she was awarded with the 'National SME Women Entrepreneurship Award' in 2008 for her success with this firm (Hossain, 2009).

History of the firm

In February 2000, the shuttle bus services of SS4 started in a small office room in Dhaka International Airport. Initially RSS4 invested AUD3500. With this money she rented the office, bought an air-conditioned micro bus and hired three drivers and an administrative officer. With a growing number of passengers, soon SS4 was well known as an airport shuttle service. In 2003, SS4 contracted with some of the major airlines to carry their crew and passengers. SS4's goodwill continued to grow; in 2004 RSS4 bought two more buses and opened a branch office in Chittagong. For this new office, SS4 employed three drivers and two administrative officers. With the success of Chittagong branch office, another branch was opened in Sylhet in 2006. Two more buses were added for the transportation between Dhaka airport-Sylhet, four drivers and three administrative officers were hired for maintaining Sylhet

office. By 2011, SS4 became one of the most trusted and well-known airport shuttle services in the country (Hossain, 2009).

Figure E16 Annual sales SS4, 2000-2010



Source: Personal communication RSS4 (SS4, 2011)

The growth pattern of SS4 is illustrated in Figure E16. In 2000, the first year, the business earned about AUD0.11 million. SS4 grew slowly during 2002 with annual sales of AUD0.20 million. In 2003, SS4 contracted with some airlines which increased annual sales up to AUD0.40 million. With an increasing demand, in 2004, SS4 operated in two major cities of the country. This increased the annual sales in 2006 to AUD0.52 million. In 2006, SS4 further increased its capacity to transport more passengers to more destinations and added another branch office in Sylhet. More vehicles, drivers and administrative officers were added to the business. All these additions resulted in additional sales. In 2008 annual sales was AUD0.63 million which grew up to AUD0.80 million in 2010.

Applying the framework to SS4

Individual factors

Individual factors of the owner were important for the growth of SS4. RSS4's capabilities include a strong educational background and work experience. In 1996, she graduated in Economics from University of Dhaka and started working in a renowned chain of hotels in Dhaka city (Hossain, 2009). Soon she was acquainted

with various services of the hotel one of which was airport shuttle transportation of the guests. "Soon I realised the importance of the service and the shortage of such service providers in the city" (RSS4). RSS4's desire to be an independent player in this industry started growing in her which eventually created strong motivation and aspiration in her to start own transportation business.

While working at the hotel, RSS4 was saving money to seriously pursue her interest in business. "I sold a piece of land which I had inherited from my father and invested the money together with my savings" (RSS4). *Family support* played an important role for the growth of SS4. RSS4 was married in 2000, immediately after venturing SS4. However, her husband and parents in-law were supportive to SS4 which greatly influenced her to continue the business.

Internal environment factors

The successful growth operations of SS4 were the result of RSS4's *entrepreneurial* capabilities. Her ability to identify the opportunity for a safe and comfortable airport shuttle service in Dhaka city and act upon this opportunity formed a strong base for SS4 to start and grow. RSS4's risk taking ability allowed her to invest in the transport industry which was mainly male-dominated. She had the courage take the challenge of being a leading player in a male dominated industry and was successful in gaining out of the economic opportunity created by the local demand.

RSS4's *managerial* experience in a hotel provided SS4 with managerial competence. She was able take this experience from the hotel business to the transportation business. SS4's *technical* abilities were formed by hiring skilled and experienced drivers and technicians for SS4.

External environment factors

The success and growth of SS4 can be attributed to the pull factors of the external environment. In 2000, although a lot of people travelled to and from Dhaka International Airport, there was a lack of airport shuttle services in Bangladesh. The opportunity for such a service at an affordable price was apparent so that RSS4 was pulled into business. As a result of this opportunity, SS4 created a market for safe

and affordable transportation to the airport that was growing and was also an important element behind the creation and development of SS4.

Increased prices for petrol and diesel increased costs for SS4 which was considered as a risk by RSS4. This was acknowledged as an obstacle to the growth of SS4.

Frequent political strikes and blocks in Dhaka city also obstructed the services of SS4.

Venture concept

The venture concept of SS4 involved the potential growth objectives of RSS4. In 2000, SS4 started with four workers and RSS4 herself. However, with the airlines agreement in 2003, SS4 started growing and required more skilled workers including drivers, technicians and administrative officers. RSS4 was able to hire skilled and experienced employees to occupy the positions of SS4. The growth potential of SS4 was increased with improved level of skills. RSS4 also opened two branch offices in other major cities to satisfy the growing demand of SS4 in the country which also increased the growth potential of SS4.

Growth Resources

SS4's growth resources included financial, social and human resources. Financial resources were important for the growth of SS4. RSS4's personal savings from her previous job were not enough for funding SS4. Money from the sale of her personal property was accumulated with her saved amount. Later, profit surplus of SS4 was reinvested for financing its gradual business growth.

RSS4's previous managerial position in a hotel was an important source of business networks. *Social resources* in the form of network contacts were important for accumulation of business knowledge and experience which contributed towards the growth of SS4. She also had networks available in the form of the Women's Chamber of Commerce which she considered as an important source of support.

Human resources were another important influence on the growth of SS4. Although the education of RSS4 was not directly related to the business she pursued, her managerial experience in a hotel acted as her knowledge foundation and was also

reflected in her business operations. SS4's trained and experienced employees were also considered as an important resource to its growth.

Growth Actions

Introducing a new service in the market by providing safe, comfortable airport transportation at affordable prices was important action of SS4. To achieve business growth, in 2002, RSS4 approached major airlines and entered into an agreement with them for transporting their crew and passengers. This effort of RSS4 ensured a regular flow of passengers for SS4. The business was growing and as an additional destination SS4 opened a branch office in Chittagong. With this effort, SS4 was able to attract more passengers and satisfy their needs which eventually created a strong clientele base for SS4. Another popular destination was added to the service in 2005, which was another important growth action of SS4.

Conclusion

SS4's growth was influenced by a number of individual, internal and external factors. The level of support provided by framework elements to the growth of SS4 is set out in Table E16.

RSS4's individual *capabilities* include strong motivation to start a business had **high** inputs into the growth. To be more successful, she was driven by **very high growth aspirations**. RSS4's *family* inspiration and *support* provided **high** level of inputs for the growth of SS4.

The level of support provided by RSS4's *entrepreneurial abilities* was **very high**. Her experience working in a *managerial* position provided a **very high** level of support for SS4. Technical abilities were formed by hiring skilled and experienced employees which created a **very high** level of support for firm growth.

Table E16 Framework elements to SS4's growth

Level Framework element	Very Low	Low	Moderate	High	Very High
Individual Factors					
Capabilities				×	
Growth aspirations					×
Family support				×	
Internal Environment					
Entrepreneurial ability					×
Managerial ability					×
Technical ability					×
External Environment					
Product market					×
Opportunities					×
Government support		×			
Risk and uncertainty				×	
Growth Resources					
Financial					×
Social					×
Human					×
Growth Actions					
New service development					×
Market expansion					×
Cost reduction	×				

Table E16 shows that, the level of support provided by *product market* was **very high** with a growing demand in the local market. Lack of other providers in the market created an *opportunity* and provided a **very high** level of support for the growth of SS4. The level of support provided by the *government* was **low**, as the industry still is not getting any specific support from the government. However, the owner has been able to gain some small support as a general women-based business. Petrol price hikes and frequent political strikes imposed a **high** level of risk for SS4. The personal savings and resources of RSS4 provided a **very high** level of support as financial resources. A **very high** level of *social* support was provided by RSS4's network contacts. Skilled and experienced *human resources* provided a **very high** level of support for its growth.

Introducing new services provided a **very high** level of support for the growth of SS4. RSS4 did not apply any cost reduction strategy. New destinations were added

outside Dhaka city as *market expansion* which provided a **very high** level of support for the growth of SS4.

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